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TO: David Whitaker, Director, Legislative Policy Division Staff

FROM: Terri A. Weems, Group Executive, Workforce Development and Detroit at Work (DAW)
Dana Williams, President, Detroit Employment Solutions Corporation (DESC)

DATE: April 4, 2025

CC:

**Detroit Employment Solutions Corporation
FY 2025-2026 Budget Analysis by the Legislative Policy Division**

Detroit Employment Solutions Corporation (DESC or the "Corporation") is a nonprofit corporation created in 2012 through a governance agreement entered into between the mayor of the City of Detroit, Michigan (the "City") and the City of Detroit Workforce Development Board. Under this agreement, DESC separated from the City of Detroit, Michigan to provide employment and training services to meet the needs of the business community and job seekers throughout the City of Detroit, Michigan.

The Corporation is a component unit of the City of Detroit, Michigan and reports under the governmental reporting model because a local government (mayor of the City of Detroit, Michigan) appoints the members of the board of directors. The Corporation is supported primarily through federal and state government grants. A majority of the funding is federal pass-through funds received from the Michigan Workforce Development Agency. The Corporation also receives private grants.

DESC is also the lead agency for 'Detroit at Work', which provides job placement, search, training, career advisement and other supportive services to tens of thousands of Detroiters every year.

Created in February 2017 to provide one entry point into the workforce system for jobseekers and employers alike, Detroit at Work provides information on in-demand career pathways and training programs that are aligned to jobs in growing career sectors in healthcare, information technology, manufacturing, construction and transportation, energy and utilities, and small business. The system-wide capacity required to understand and address the needs of Detroit jobseekers and Detroit's employer community requires a new and continuously improving strategy for service delivery. That is Detroit at Work, where Detroit's jobseekers, employers, and opportunity connect. In 2021, Detroit at Work expanded its career center system to nine centers that cover each of Detroit's City Council districts. These career centers are managed by community organizations



Equal opportunity employer/program. Supported by the State of Michigan, Department of Labor and Economic Opportunity. A Michigan Works! Agency and proud partner of the American Job Center network. Auxiliary aids and services available upon request to individuals with disabilities. 1-800-285-WORK. TTY: 711.

with deep roots in the neighborhoods surrounding the centers. With this expansion, no Detroiters are more than 3 miles away from accessing the career support they are looking for.

Issues and Questions:

- 1. Please briefly explain DESC's new expenditure initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiative(s)/proposal(s) to be implemented in FY 2026.**

As we move into the next phase of workforce development program and service delivery to Detroit residents, we will continue providing our breadth of services, and also be specifically focused in three (3) key areas. Our funding and personnel will be directed accordingly:

Skilling: Foundational and occupational training for high-demand jobs with middle-class wages and swift connection to employment. This includes overall career readiness (resumes, interviewing, and conflict resolution) and both improving reading, math, and critical thinking, as well as technical knowledge and credentials.

Youth: Engaging new and existing partners in outreach to and career navigation for youth to ensure they are aware of the pathways they have and resources afforded them as a Detroit resident in order to keep our future workforce talent connected to the city. Partnerships with our K-12 system as well as higher education institutions are key to this effort.

Retention: Systematically providing support services that not only mitigate but seek to remove barriers so that Detroit residents not only secure employment but also retain and advance in those jobs.

Across DESC, we are already focused on structural and operational efficiencies to enact these plans, such as moving staff between teams, documenting current procedures, rolling out project management tools, and streamlining key processes in paying providers and onboarding skilling partners. All of this in an effort to maximize our resources, both financial and human.

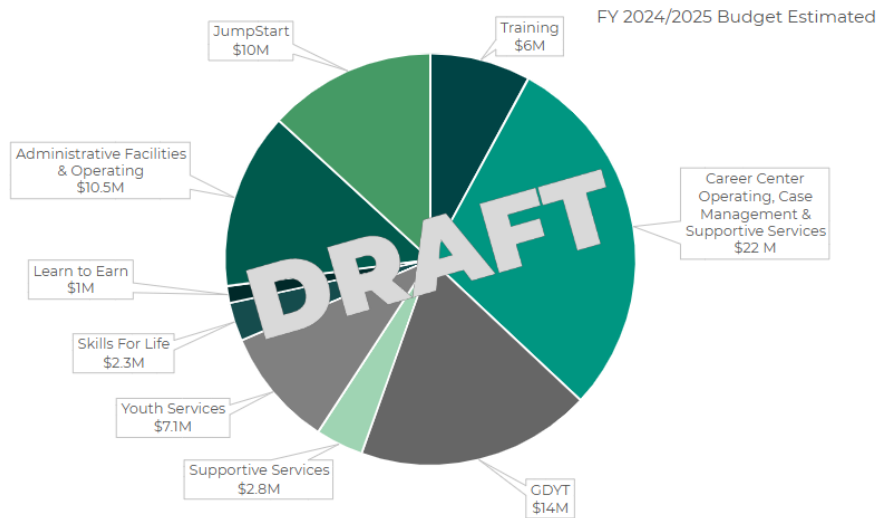
- 2. Please provide the DESC's budgeted level of employees for FY 2025 and FY 2026. Please provide the level of vacancies as of March 17, 2025. Please explain the difficulty of filling vacant positions.**

In FY25, we have 145 employees. In FY26, we plan to have 125 employees, however this is still in development and will be confirmed with the approval of the DESC FY26 Budget with the DESC Corporate Board in June 2025. To prepare, we are in the process of developing estimates of next year's standard and special revenue allocations from the State, calculating upcoming awards we will receive from philanthropic investments and projecting the cost of desired programming. We do not have difficulty in filling vacant positions.

3. Please provide the DESC’s FY 2025 Operating and Capital Budgets. Please also provide the FY2026 Operating and Capital Budgets, if available.

As presented to City Council in the March 2024 DESC Budget Hearing:

FY 2024/2025 BUDGET: Estimate (\$75.7M)

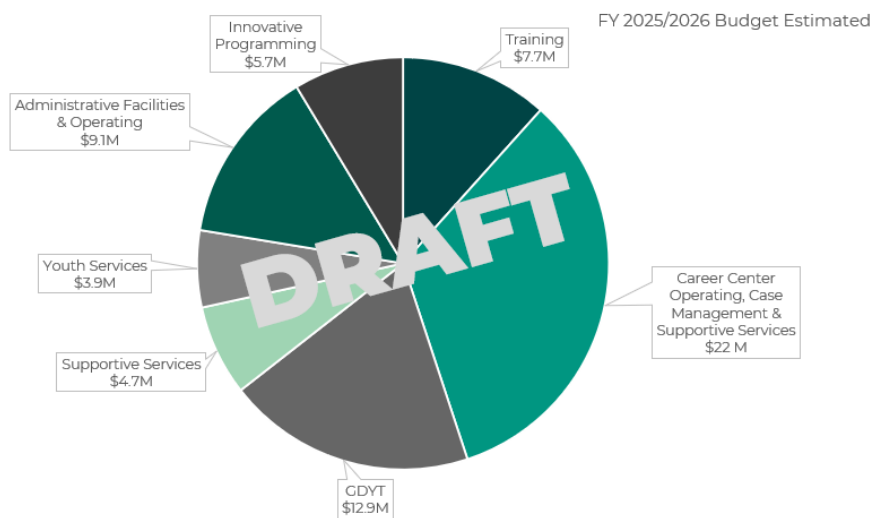


**Draft budget includes projected Federal, State and City allocations and GDYT fundraising targets*

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As presented to City Council in the March 2025 DESC Budget Hearing:

FY 2025/2026 BUDGET: Estimate (\$66M)



**Draft budget includes projected Federal, State and City allocations and GDYT fundraising targets*

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4. As can be seen in the attachment, through the Housing & Revitalization Department (HRD), the Mayor is recommending \$2,665,000 in general fund dollars for Appropriation 27361-Workforce Development Programs in FY 2026. Questions:

a. In HRD's Cost Center 365007 – Economic Development Summer Jobs Program, the Mayor is recommending \$2 million for this program in FY 2026, the same as for FY 2025. Although the DESC does not directly receive any of these dollars, please explain DESC's involvement in administering these funds.

DESC receives these General Fund dollars via a contract from the City of Detroit (HRD) to support programming for the Grow Detroit's Young Talent (GDYT) programming. DESC disperses these funds to support GDYT youth participant wages and stipends, GDYT staff, and applicable program administration costs related to program delivery.

b. In HRD's Cost Center 365012 – Detroit Employment Services Corp, the Mayor is recommending \$665,000 for this program in FY 2026, the same as for FY 2025. Although the DESC does not directly receive any of these dollars, please explain why to the program is entitled "Detroit Employment Services Corp", and DESC's involvement in administering these funds.

DESC receives these General Fund dollars via a contract from the City of Detroit (HRD) enabling us to work with employers to ensure high-growth, high-demand opportunities. This grant supports staff who participate in economic development activities, execute priority hiring agreements, coordinate job & resource fairs, and implement system advertising and engagement, including outreach efforts like billboards, special events, print media, social media, video production and websites.

Covered staff are tasked to develop, grow, and scale a workforce system that better connects Detroit residents and employers. The team interfaces with employers and training & education system providers to identify current hiring needs and develop solutions to systemic hiring issues. This includes providing white-glove level service in the areas of recruitment and human resources services to Detroit employers resulting from economic development activities, special City projects, and/or other strategic initiatives.

Deliverables include:

- o Industry and/or employer-specific hiring events*
- o Customized training programs for industrial and skilled labor clients*
- o Priority hiring commitments for Detroiters from existing employers and new companies that come here or expand as a result of economic development activities*
- o Ecosystem management by way of coordinating employer councils, participating in cross-sector convenings, and deepening connections to the business community*

- o *Increased community outreach, both general and faith-based, increased awareness of the city's workforce programs and support services. Staff work to attend community events / task force meetings, identify key community groups who can share information, and work directly with residents to help them better access our services. Additionally, they make real-time updates and overall design enhancements to websites and manage all social media.*
- o *Stronger and intentional partnerships with Higher Education institutions like Wayne County Community College District, Wayne State University, and Henry Ford College to promote workforce programs and support services for youth and adults attending or applying to their certification and degree programs.*

5. As noted above, in 2021 Detroit at Work expanded its career center system to nine centers that cover each of Detroit's City Council districts. These career centers are managed by community organizations with deep roots in the neighborhoods surrounding the centers. With this expansion, no Detroiter is more than 3 miles away from accessing the career support they are looking for. Has this been successful?

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.

Served a consistent number of Detroiters in both job placement and training completions. And increased the average wage of those whom our system serves.

Detroit at Work maintained an 86% customer satisfaction rate for those who found employment or completed training.

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.

While we continue to refine our service model and footprint, the system today can celebrate many achievements.

See charts on the next page.

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

6. Detroit at Work has more than 50 training programs available to Detroit jobseekers that help them develop technical and essential skills towards careers in the MWDB's priority industries:

- **Construction & Skilled Trades**
- **Healthcare**
- **Information Technology**
- **Manufacturing**
- **Transportation**

Currently, there is a shortage of Detroiters in the construction trades. How has this program impacted curtaining this shortage? On an annual basis, how many Detroiters complete these technical skills training programs? Given this level of training available, why are there still shortages? Is there a lack of individuals enrolled in these training courses or is there not enough training to keep track with the need for available Detroiters?

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 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.

7. In the Fall of 2017, Randolph Career and Technical Center was re-launched to provide industry standard training in high-wage, high-need building and construction trades for youth and adults. Breithaupt Career and Technical Center followed in Summer 2019 to link career pathways in automotive, manufacturing, hospitality, customer service, and welding.

Program enhancements include:

- Enhanced high school CTE courses**
- Adult training programs in the evening, on weekends and during the summer**
- Building and classroom improvements**
- Learning lab for contextualized basic skills**
- New employer and union partnerships for mentors, training, classroom sponsorships and career exposure**
- Wrap-around and support services**
- Apprenticeship and community college partnerships**

Have the program enhancements listed above led to improved outcomes? If so, how much so?

DESC continues to have an ongoing, collaborative relationship with Detroit Public Schools Community District, and particularly the Career & Technical Education Department.

A key to the success of these programs is connection to the post-secondary apprenticeship and other training programs required for advancement in these fields. Therefore, we continue to support the cost of instruction, curriculum development, and equipment that these schools need. And provide real-world work experiences through our year-round youth programs and GDYT.

Per DPSCD, enrollment for these programs and career exploration activities for youth follows, as we report annually through our State-mandated Career & Education Advisory Council (CEAC), chaired by Alycia Meriweather, DPSCD Deputy Superintendent. [

CEAC METRICS

2023-2024 DPSCD CEAC Metrics Report

Final Report 7/15/2024

2023-2024 CTE AND CAREER PATHWAY DPSCD DISTRICT ENROLLMENT

TITLE	STUDENT ENROLLMENT
Career Pathway Courses (High Schools)	2926
CTE Enrollment (High Schools)	1473
Career & Technical Center Enrollment (Skilled Trades – 3 Centers)	763
CTE Enrollment (High School & CTC Combined)	2236
Adult Education CTE Training (DESC Partnership)	*Program in hiatus until further notice

	CAREER AWARENESS	CAREER EXPLORATION	CAREER PREPARATION	CAREER TRAINING	TOTAL PARTICIPANTS
Work-based Learning Activities	1788	1510	1437	645	5380
2023 Wayne County Manufacturing Day (In-Person)		570 MS= 160 HS= 470			570
2023 Sachse Academy Construction Day (In-Person)		140			140
DTE/Energy Day		50 (Randolph Career Center Only)		50	50
Urban Alliance (UA)				120	120
JAG (Pershing, Cody, Osborn, Randolph)				202	202
DPSCD-GDYT (Sponsored Participants)				13	13
				1030	6475

	CAREER AWARENESS	CAREER EXPLORATION	CAREER PREPARATION	CAREER TRAINING	TOTAL PARTICIPANTS
2024 Spring OCCR Internship				120	120
2024 Detroit Workforce of the Future Internship (Randolph CTC students)				15	15
2024 Bricklayers - Local 2 Union (BAC) Apprenticeships					17
XELLO Career Assessments					16,985
2024 Michigan Construction Day		17			17
	1788	2287	1437	1165	23,629

8. Detroit at Work and Detroit Public School Community District (DPSCD) have partnered to move adult education programs into neighborhood Career Centers.

- **DPSCD adult education programs are 100% tuition free and include in-class and online options.**
- **3 programs offered:**
 - **GED Preparation**
 - **High School Completion (upon transcript review)**
 - **Reading and Math Enrichment**

How successful has this collaboration been? Does this program have any direct connection to future employment for its graduates? What is the annual level of enrollment?

Detroit at Work's collaboration with DPSCD through our Learn to Earn program model to bring Adult Basic Education Programs into neighborhood career centers has been beneficial to the system and residents. The program has not only provided access to ABE/GED services to Detroiters looking to either improve their reading and/or math skills, or attain their high school diploma or equivalency, but also provided instructional methods that have resulted in more than 560 adult learners to date achieving their educational goals by way of skills gains and/or GED attainment.

The program has as part of its wraparound participant support, comprehensive workforce development services that prepare participants for permanent job placement, or for those employed, preparation for career upgrades. These services include work readiness workshops, barrier removal support, career coaching, and job placement opportunities targeted by Detroit at Work as being high growth and in demand. The success of this collaboration over the past 2+ years has yielded more than 1,250 active participants. While we continue to evaluate the way this model is structured, a relationship with DPSCD will certainly continue. And, in addition to DPSCD, we also now partner with additional educational partners in Wayne County Community College District (WCCCD), Wayne State University, St. Vincent Sarah Fisher, and Sienna Literacy Center to meet the various foundational skill building needs of Detroiters.

9. Detroit at Work has the Skills for Life program, and its appeal to its enrollees are as follows:

- **If hired by the City of Detroit, you'll work three days per week on projects that are important to the city, making a positive impact in neighborhoods across Detroit. You'll also be paid to attend education or training two days per week to earn a credential that leads to a career.**
- **You'll get valuable experience and skills that you can put on your resume and have a reference for future employment.**
- **You'll be able to get your GED if you don't already have it or earn a credential needed for in-demand jobs.**

- After you complete the education or training program, you will graduate from Skills for Life and transition into a job that pays around \$17 an hour.
- You'll be on a career path that gives you the opportunity to increase your pay to \$20/hr., \$25/hr., or even more.
- We will help you with a transportation and childcare plan and provide career coaching and other support that increase your long-term success in the program and beyond.

Is this program at full enrollment? How long is the training under the program? What percentage of its enrollees complete the program and advance to full-time employment? The Skills for Life program in Detroit is funded by up to \$75 million in American Rescue Plan Act (ARPA) dollars approved by City Council. What is the projected timeline of when the ARPA will be fully used up for this program? Is the DESC working with the City to find alternative funding sources to keep this important program alive once the ARPA money is gone?

For Skills for Life, DESC's \$11M contract was to provide the education & training component of the program. Over 850 individuals have been enrolled in the Skills for Life program, after they were hired by the City of Detroit General Services Department. 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.

The duration of occupational training varied from 10 weeks to 6.5 months based on the training program selected by the participant. A breakdown of durations is shown below:

Training Program	Duration (Weeks)
CDL-A	7
CDL-B	5
Heavy Equipment Operator	10
MIG Welding	11.25
Pre-Apprentice Carpentry	22.5
Pre-Apprentice Electrical	22
Masonry Restoration Training	15
IT Professionals 1	8

588 participants either completed an educational component, a training component, or secured a permanent job after Skills for Life. 383 individuals completed an occupational credential and 248 of those graduates have secured employment. A further 142 individuals secured employment

after completing other components (Skills Refresh, GED, or Career Readiness Training) of the Skills for Life program.

10. What are the top three challenges Detroiters face that inhibit their employability?

One of the most critical barriers to economic self-sufficiency for unemployed and low-income Detroit residents is the lack of reliable transportation. As a result, Detroit at Work continues to seek ways to improve transportation services to work and training for Detroit residents. Detroit at Work's current transportation support includes the following activities: Eligible customers can receive Lyft rides, bus tickets for return career center visits, job interviews, job fairs, and training activities. Through a partnership with Detroit Department of Transportation (DDOT), we have access to bus tickets for adults, and youth who participate in Detroit at Work's summer employment programs receive free bus tickets throughout the entire duration of their employment; Detroit at Work partners with employers with their own custom programs to coordinate transportation access. Partnering employers provide van services to help employees travel to jobs where public transportation service is limited or unavailable. We also have a direct referral system to RideUnited, operated by the United Way of Southeast Michigan that helps to solve transportation challenges. On a limited basis, we also cover the cost of vehicle repairs, and in some cases, support vehicle purchase.

Another key barrier to securing permanent employment for many Detroiters, particularly those representing Detroit at Work's priority populations (noted earlier), is housing insecurity. In order to address this significant barrier, Detroit at Work provides discount payments for short term stays under negotiated agreements with local hotels for emergency shelter. In these cases, Detroit at Work staff also partner with local housing organizations to help secure permanent housing while assisting affected participants obtain unsubsidized employment. And for those who have secured employment, but are also faced with homelessness, Detroit at Work provides security deposits and first month rental payments. This allows participants to earn enough to begin making payments with little or no hardship.

The lack of quality, affordable childcare has been a barrier to securing employment for decades. This barrier does not only affect low-income families, but because of the increasing costs, it has also become a barrier for families with mid-level incomes. Participants who are eligible for safety net programs funded by the Department of Health and Human Services can receive childcare supplements at pre-determined rates. However, because these rates are lower than the market, many participants are forced to either select substandard childcare or turn down job offers that do not pay a wage high enough to cover childcare costs along with basic living expenses. Detroit at Work offers support services that supplement the cost of childcare temporarily based on funding availability, however, removing this barrier in a more meaningful way over the long term will take a collaborative effort across multiple partners including employers willing to provide innovative benefits like on-site childcare or a cost match program.

11. In reviewing the General Fund Budgetary Comparison Schedule in the 2024 Audited Financial Statements, it appears there was an 8.82% decrease of \$8,054,318 in Actual Revenues received \$83,264,244 than budgeted \$91,318,562. Please explain the cause of the variance. Have other revenue sources been identified to compensate for this variance moving forward?

For fiscal year 2024, DESC expected to operate and therefore budgeted for certain programs that ultimately were not awarded in full nor for the initially agreed-upon length of time. Therefore, the planned revenue as well as the aligned expenses were both affected. We do not incur expenses before confirmation of the corresponding revenue is received.

12. Given the current uncertainty at the federal level, does DESC still feel confident that it will receive the level of federal and state similarly to what it has received in the past few years?

- At the end of 2024, at the Federal level, lawmakers from both chambers presented a bipartisan, bicameral agreement on the legislation that funds workforce development across the nation – the Workforce Innovation & Opportunity Act (WIOA). They planned to vote on it as part of the Continuing Resolution to fund the government.
- There is a possible reauthorization called “A Stronger Workforce for America” (ASWA) Act that would maintain the general structure of the workforce system, but present many significant policy changes, including a new 50% training mandate. An amendment in the bill included provisions to cover some support services and case management costs as part of the cost of training, effectively reducing the mandate to 40%.
- A House Committee held a hearing on the bill on March 5, 2025. Reports say that there is a growing sense that ASWA may proceed in the near future and that there is not any real appetite to make changes to that proposed legislation. An ASWA decision will determine the future of Federal funding for the local Detroit at Work system.

13. In reviewing the General Fund Budget Comparison Schedule in the 2024 Audited Financial Statements, how did the DESC achieve a \$9.85 million surplus in Salaries?

As a result of not receiving the full amount of grants budgeted for but not received as described above, staff hires were not executed as planned resulting in a surplus in this portion of the budget. We do not extend ourselves beyond expected revenues. We either delayed hiring or waited until revenues arrived.

14. In reviewing the General Fund Budget Comparison Schedule in the 2024 Audited Financial Statements, it appears the Internet and Technology Expenditures increased 169.88% totaling \$977,066 and Professional Fees increased 77.69% totaling \$2,695,601. Can you please explain where these increases may have come from? Also, please explain the \$1.54 million surplus in subcontractor expenses.

The difference in Internet & Technology expenditures can be attributed to the increased need to support the purchase of devices for participants in both the Learn to Earn High School Completion Program as well as the JumpStart Program. We determined that this was necessary in order to support these customers.

Professional Fees differed due to expenses for our financial monitoring consultant contractor and legal providers as needed to support expanded ARPA programming.

Subcontractor expenses are those we incur in order to operate our career centers themselves. During the stated time period, support services particularly in solving transportation barriers for customers, and a significant fluctuation in the level of career center staff can be attributed to the year-over-year differences in FY23 and FY24. We do our best to budget appropriately, however variances occur because of the impact of human behavior and the state of the overall economy.

15. In reviewing the 2024 Audited Financial Statements, it appears that American Rescue Plan Act (ARPA) funds were utilized to fund pilot and expanded Programs such as the Work Scholarship Program, Learn to Earn program, and Jumpstart program. Has DESC identified other funding sources for these programs if ARPA funds are no longer available?

The Detroit at Work Scholarship Program was designed to be a one-time infusion of resources for the workforce system and Detroit residents – particularly those individuals who needed very comprehensive readiness, skilling, and barrier removal in order to complete training, and secure and retain a job. JumpStart, Skills for Life, and Learn to Earn will sunset no later than June 2025, as those contracts and funding periods come to a close. However, we will continue providing math, reading, and GED support, paid job training, barrier removal, and youth employment opportunities, now with innovations and improvements that were uncovered and implemented during the ARPA time period.

16. In December 2024, Michigan Central partnered with DESC / Detroit at Work and the State of Michigan's Department of Labor and Economic Opportunity (LEO) launched the Michigan Central Talent Innovation Training Fund to provide over \$1.5 million of training investment into early-stage technology and mobility-focused companies in Detroit by providing resources to acquire talent, grow operations, and create economic opportunity for Detroit Residents. Please provide the most current status on the program. What are the outcomes / results so far?

The Michigan Central Talent Innovation Training Fund offers startups funding of up to \$7,500 per trainee to cover specialized training costs for their critical roles. The fund aims to reskill and upskill 150+ Detroiters, helping them to secure family-sustaining wage roles in mobility-focused industries. The fund will also boost a thriving economic and workforce ecosystem by supporting emerging companies and creating new employment opportunities in Detroit. So far, this grant has

supported the following:

- *200 residents have received career readiness training*
- *35 enrolled in technical training programs*
- *9 completed their training and earned a credential, with 3 are already working at Michigan Central companies housed at NewLab*

We continue to be focused on growing the number of employers with awareness of these funds and awaiting the much-anticipated developments in the local electric vehicle and wider mobility market to ensure a just-in-time supply of talent to companies in those industries. As of month-end February, 30 more employers have expressed in accessing these funds, and the team is in the process of reviewing their applications accordingly.

DAW Quarterly Cumulative Construction Report

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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
- 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

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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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