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TO: Terri Weems, Chief Financial Officer,
Interim President & CEO
Detroit Employment Solutions Corporation/Workforce Development Board

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: March 14, 2023

RE: 2023-2024 Budget Analysis

Attached is our budget analysis regarding your agency's budget for the 2023-2024 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Friday, March 17, 2023, at 11:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience before and after your budget hearing. Please forward a copy of your responses to the Council Members, the City Clerk's Office, and the Legislative Policy Division.

Please contact us if you have any questions regarding our budget analysis.

Thank you for your cooperation in this matter.

DW:dh:ss
Attachments:
Issues and Questions

cc: Councilmembers
Auditor General's Office
Brad Dick, Group Executive/COO
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Chief Deputy CFO-Policy & Administrative Director
Steve Watson, Budget Director
Eunice Williams, Agency CFO
Anita Hoskins, Budget Analyst
Malik Washington, Mayor's Office

Detroit Employment Solutions/Workforce Development Board

FY 2023-2024 Budget Analysis by the Legislative Policy Division

Detroit Employment Solutions Corporation (DESC), which was spun off from the City of Detroit in June 2012, was established as a non-profit on July 1, 2012. Detroit Employment Solutions Corporation is the fiscal and administrative agent of the Mayor's Workforce Development Board (MWDB), a body appointed by the Mayor. The MWDB is accountable to the Mayor's office for the successful delivery of workforce programs across the City of Detroit.¹ DESC is a part of the Michigan Works! Association, and is one of 25 Michigan Works! Agencies located around the state. Each agency:

- Is locally responsive and demand driven.
- Is governed by a **Workforce Development Board**
- Provides services to assist employers in finding the skilled talent they need
- Provides a competitive advantage for jobseekers

Like other Michigan Works! agencies, DESC receives the majority of its funding from the federal government. These funds can only be spent on programs and initiatives for which they are intended, and that are consistent with Office of Management and Budget guidelines.

DESC's Federal funds are mandated by the Workforce Innovation and Opportunity Act (WIOA).² The purpose of WIOA is:

- Increase opportunities for individuals, particularly those with barriers to employment
- Support alignment of workforce investment, education, and economic development systems
- Provide workers with the skills and credentials to secure and advance employment
- Promote improvement in the structure and delivery of services
- Increase the prosperity of workers and employers
- Increase the employment retention, earnings of participants and the attainment of recognized post-secondary credentials

Issues and Questions:

1. Please provide the FY 2023 and FY 2024 operating and capital budgets for the DESC.
2. Please provide budgeted level of employees for FY 2023 and FY 2024. Please provide the level of vacancies as of February 28, 2023. Please explain the difficulty of filling vacant positions.
3. Detroit at Work has assisted in identifying, preparing, and recruiting Detroiters for job opportunities at the expanded FCA plant on the eastside. How many Detroiters were selected to interview and how many were hired? What issues were identified as the primary impediments to employment for the Detroiters who were interviewed, but not hired?
4. 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)

¹ [Governance | Detroit Employment Solutions Corporation \(descemiworks.com\)](https://www.descemiworks.com)

² On July 22, 2014, the Workforce Innovation and Opportunity Act (WIOA) was signed as Public Law 113-128.

- 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?

5. Detroit at Work has the **Skills for Life**³ 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 also provide career coaching and other supports 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?

6. It is commonly considered that most major developments in the city that receive City of Detroit incentives to develop and are thereby held to the standard of providing 51% of the construction jobs to Detroiters, will fall short of that goal and face fines, due primarily to an overall shortage of available Detroiters in the skills trades industries. However, according to its website, Detroit at Work, has over 40 training programs,⁴ including the following *Skills Trades*:

- Brookins Construction - Construction Craft Laborer Apprenticeship
- Brookins Construction - Residential Carpentry Apprenticeship
- Brookins Construction - Building Maintenance Repair Apprenticeship
- Detroit Training Center - Blight Removal
- Detroit Training Center - Drywall Finishing
- Detroit Training Center - Heavy Equipment Operator
- Detroit Training Center - Masonry Restoration and Asbestos
- Detroit Training Center - Welding MIG Production Worker
- DTE Energy - Tree Trim Academy
- EITI - Pre Apprentices Carpentry
- EITI - Pre-Apprentice Electrical
- EITI - Pre-Apprentice Electrical (Skills for Life)
- Goodwill Industries of Greater Detroit - Welding
- Great Lakes Water Authority - Electrician Maintenance Apprenticeship
- Great Lakes Water Authority - Water Technician Apprenticeship
- Our Town Training School - Commercial Painting
- Our Town Training School - Residential & Commercial Masonry

Given this level of training available, why are there still shortages? Is there a lack of individuals enrolled in these trainings, or is there not enough training to keep track with the need for available Detroiters?

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

³ [SkillsforLife | Detroit at Work](#)

⁴ [Training | Detroit at Work](#)