



# SURVEY OF ECONOMIC DEVELOPMENT PROGRAMS IN MICHIGAN

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*CITIZENS RESEARCH COUNCIL OF MICHIGAN*

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## JOB AND EMPLOYMENT TRAINING

*Economic Development Job Training Program*  
*Michigan Works!*  
*School-to-Registered Apprenticeship Tax Credit*



# Survey of Economic Development Programs in Michigan

## ECONOMIC DEVELOPMENT JOBS TRAINING PROGRAM

### Enabling Act, Major Amendments; Statutory Citation

1984 PA 270 (Michigan Strategic Fund Act), 2003 PA 169, MCL 125.2001 et seq.

### Summary Program Description

Grant program augmented by a 20 percent single-employer match for Business Response Program (BRP) grants and a 30 percent employer match for multiple company grants under the Manufacturing Competitiveness Program (MCP) that permits employers to develop and implement customized job training for job creation and improved job skills for existing workers. No match is required for new hires.

### Eligibility and Benefits

BRP projects must maintain or attract permanent jobs for Michigan residents. Priority is given to employers who demonstrate the need for high-skilled training, create/retain high-skill high-wage jobs, and participate in competitive edge technologies (i.e. life sciences; advanced automotive, manufacturing, and materials; homeland security and defense; alternative energy).

MCP awards are given to multiple companies that represent a vulnerable or high potential segment of the manufacturing sector. Priority is given to projects that can demonstrate collaboration and cooperation, training for new techniques that are of value to affected companies, and a need to upgrade employee skills.

Businesses and training providers, such as community colleges or other eligible applicants, work closely with Michigan Economic Development Corporation (MEDC) account managers and workforce training specialists to develop effective training strategies.

### Changes since Program Inception

2003 PA 169 expanded the program to include the Manufacturing Competitiveness Program.

### Data and Source

According to the Michigan Department of Management and Budget, the Fiscal Year 2007 appropriation for this program continues \$9,798,000 in general fund support for job training grants to Michigan employers. These competitively awarded funds enable Michigan businesses to provide additional training to employees, allowing Michigan businesses to retain employees and improve the state's competitive standing. Approximately \$6 million is available for single employer grants and approximately \$2 million is available for the MPC.

EDJT Award Amounts and Number of Trainees:

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Award Amount</u>	<u>Employer Match</u>	<u>Existing Employees</u>	<u>New Hires</u>	<u>Total Trainees</u>	<u># of Grant Awards</u>	<u># of Employers</u>
2004	\$10,048,000	\$9,679,067	\$4,578,707	15,531	1,722	17,253	50	241
2005*	\$9,798,000	\$9,273,000	\$3,758,084	17,900	2,857	20,757	59	217
2006	\$9,798,000	\$9,252,426	\$3,203,652	15,557	3,693	19,250	74	181
2007**	\$9,798,000	\$293,491	\$62,560	280	149	429	3	3

\*FY 2005 original budget was \$10,048,000 before budget cuts.

\*\*FY 2007 reflects the figures through mid-January 2007 only.

Courtesy of MEDC

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Since 1994, the EDJT program has awarded over \$323 million in grants, which were matched with over \$11 million by employers and resulted in 76,346 new hires and 580,626 total trainees.

Source: Michigan Economic Development Corporation

According to the MEDC, the following job training institutions were recent partners in Economic Development Job Training Grants:

Alpena Community College	Muskegon Community College
Baker College Corporate Services	Muskegon/Oceana Consortium-
Bay de Noc Community College	Department of Employment and Training
Delta College	Newaygo County Intermediate School District
Downriver Community Conference	North Central Michigan College
Ferris State University	Northern Michigan University
Glen Oaks Community College	Northwest Ottawa Chamber Foundation
Gogebic Community College	Northwestern Michigan College
Grand Rapids Community College	Oakland Community College
Henry Ford Community College	Oakland University
Kalamazoo Valley Community College	Orchard View School District
Kirtland Community College	Ottawa County Michigan Works!
Lake Michigan College	Saginaw Valley State University
Lake Superior State University	Schoolcraft College
Lansing Community College	South Central Michigan Works!
Lenawee Chamber Foundation	Southwestern Michigan College
Livingston County Michigan Works!	St. Clair County Community College
Macomb Community College	Tuscola Intermediate School District
Michigan Manufacturing Technology Center	Washtenaw Community College
Mid-Michigan Community College	Wayne County Community College
Monroe County Community College	Wayne State University
Montcalm Community College	West Shore Community College
Mott Community College	Wexford-Missaukee Intermediate School District

# Survey of Economic Development Programs in Michigan

## MICHIGAN WORKS!

### Summary Program Description

Michigan Works! is a statewide network of regional offices that provide employment training, education and information on job openings to employees and a pool of local workers for employers.

#### *The Association of Michigan Works! Agencies*

2500 Kerry Street, Suite 210

Lansing, MI 48912

(517) 371-1100

[www.michiganworks.org](http://www.michiganworks.org)

The following is a list of regional Michigan Works! offices throughout the state: Each region contains several offices the number of which is indicated in ( ).

#### *Allegan, Kent (5)*

##### *Area Community Service Employment and Training Council*

144 E. Fulton, Grand Rapids, MI 49503

(616) 336-4100

[www.michiganworkska.org](http://www.michiganworkska.org)

#### *Barry, Branch, Calhoun (4)*

##### *Calhoun Intermediate School District*

17111 G Drive, North, Marshall, MI 49068

(269) 789-2409

[www.calhounisd.org/wrkforceteam.htm](http://www.calhounisd.org/wrkforceteam.htm)

#### *Clinton, Eaton, Ingham (3)*

##### *Capital Area Michigan Works!*

2110 South Cedar Street, Lansing, MI 48910

(517) 492-5599

[www.camw.org](http://www.camw.org)

#### *Genesee, Shiawassee (2)*

##### *Career Alliance Incorporated*

711 N. Saginaw, Ste 300, Flint, MI 48503-1452

(810) 233-5974

[www.careeralliance.org](http://www.careeralliance.org)

#### *Gratiot, Isabella, Ionia, Montcalm (4)*

##### *Central Area Partnership Consortium*

904 Oak Drive (Turk Lake), PO Box 368, Greenville, MI 48838

(616) 754-9315

[www.camwc.org](http://www.camwc.org)

#### *Wayne (Detroit only) (5)*

##### *Detroit Workforce Development Department*

707 W. Milwaukee, 5th Floor, Detroit, MI 48202

(313) 876-0700

[www.detroitmi.gov/employtrain/default.htm](http://www.detroitmi.gov/employtrain/default.htm)

#### *Chippewa, Luce, Mackinac (3)*

##### *Eastern U.P. Michigan Works!*

1118 East Easterday Avenue, Sault Ste. Marie, MI 49783

(906) 635-1752

[www.michworks-upnorth.org](http://www.michworks-upnorth.org)

#### *Kalamazoo, St. Joseph (2)*

##### *Kalamazoo - St. Joseph Michigan Works!*

222 South Westnedge, Kalamazoo, MI 49007

(269) 349-1533

[www.upjohn.org/miworks/](http://www.upjohn.org/miworks/)

#### *Livingston (1)*

##### *Livingston County Job Training Services*

1240 Packard Drive, Howell, MI 48843

(517) 546-7450

[www.lcmw.org](http://www.lcmw.org)

#### *Macomb, St. Clair (4)*

##### *Macomb/St. Clair Workforce Development Board*

43630 Hayes, Suite 100, Clinton Township, MI 48038

(586) 469-5220

[www.macomb-stclairworks.org](http://www.macomb-stclairworks.org)

#### *Berrien, Cass, Van Buren (5)*

##### *Michigan Works! Berrien- Cass- Van Buren*

499 W. Main Street, Benton Harbor, MI 49022

(269) 927-1064

[www.miworks.org](http://www.miworks.org)

#### *Arenac, Clare, Gladwin, Iosco, Ogemaw, Roscommon (6)*

##### *Michigan Works! Region 7B Consortium*

402 N. First Street PO Box 408

Harrison, MI 48625

(989) 539-2173 / (800) 322-0163

[www.michworks4u.org](http://www.michworks4u.org)

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*Alger, Delta, Dickinson, Marquette, Menominee,  
Schoolcraft (6)*

*Michigan Works! The Job Force Board*

2950 College Avenue  
Escanaba, MI 49829  
(906) 789-0558

[www.jobforce.org](http://www.jobforce.org)

*Lake, Mason, Mecosta, Newaygo, Osceola (5)*

*Michigan Works! West Central*

110 Elm Street, Big Rapids, MI 49307  
(231) 796-4891

[www.michworkswc.org](http://www.michworkswc.org)

*Muskegon, Oceana (6)*

*Muskegon-Oceana Consortium*

1611 Oak Ave, Muskegon, MI 49442  
(231) 724-6381

[www.michiganworks.org](http://www.michiganworks.org)

*Alcona, Alpena, Cheboygan, Crawford, Montmorency,  
Presque Isle, Oscoda, Otsego (8)*

*Northeast Michigan Consortium*

20709 State Street PO Box 711, Onaway, MI 49765  
(989) 733-8548

[www.miworks-nemc.gen.mi.us](http://www.miworks-nemc.gen.mi.us)

*Antrim, Benzie, Charlevoix, Emmet, Grand Traverse,  
Kalkaska, Leelanau, Manistee, Missaukee, Wexford (5)*

*Northwest Michigan Council of Governments*

2194 Dendrin Drive PO Box 506, Traverse City, MI 49685-  
0506

(231) 929-5000

[www.nwm.org](http://www.nwm.org)

*Oakland (9)*

*Oakland County Workforce Development Division*

1200 North Telegraph Rd.  
Pontiac, MI 48342  
(248) 858-5520

[www.michworks.org](http://www.michworks.org)

*Ottawa (2)*

*Ottawa County Department of Employment and Training*

12251 James Street, Ste 300  
Holland, MI 49424  
(616) 393-5697

[www.miottawa.org/michiganworks](http://www.miottawa.org/michiganworks)

*Bay, Midland, Saginaw (6)*

*Saginaw-Midland-Bay Michigan Works!*

1600 N. Michigan, Room 400  
Saginaw, MI 48602  
(989) 754-1144

[www.michiganworks.com](http://www.michiganworks.com)

*Hillsdale, Jackson, Lenawee (3)*

*South Central Michigan Works!*

310 West Bacon Road  
Hillsdale, MI 49242  
(517) 437-0990 / (888) 649-6757

[www.scmw.org](http://www.scmw.org)

*Monroe, Wayne (non-Detroit) (7)*

*Southeast Michigan Community Alliance*

25636 Eureka Rd.  
Taylor, MI 48180  
(734) 229-3500

[www.semca.org](http://www.semca.org)

*Huron, Lapeer, Sanilac, Tuscola (4)*

*Thumb Area Michigan Works!*

3270 Wilson Street  
Marlette, MI 48453  
(989) 635-3561

[www.thumbworks.org](http://www.thumbworks.org)

*Washtenaw (1)*

*Washtenaw County Employment Training & Community  
Services*

555 Towner St.  
P.O. Box 915  
Ypsilanti, MI 48197  
(734) 544-6850

[etcs.ewashtenaw.org](http://etcs.ewashtenaw.org)

*Baraga, Gogebic, Houghton, Iron, Keweenaw,  
Ontonagon (5)*

*Western U.P. Michigan Works!*

100 W. Cloverland Drive  
Ironwood, MI 49938  
(906) 932-4059

[www.westupmwa.org](http://www.westupmwa.org)

## SCHOOL-TO-REGISTERED APPRENTICESHIP TAX CREDIT

### Enabling Act, Major Amendments; Statutory Citation

1996 PA 593, 2003 PA 273, 2006 PA 325; M.C.L. 208.38e

### Summary Program Description

State-based tax credit program designed to provide incentives to Michigan employers to sponsor federally-approved registered apprenticeships.

### Eligibility and Benefits

(courtesy of the Michigan Economic Development Corporation)

Employers who train registered apprentices younger than age 20, who have not obtained a high school diploma, and are enrolled in high school or a GED test preparation program, are eligible for a Single Business Tax credit of up to \$2,000 per apprentice.

One of the major issues for employers is the cost of training young people at the work site, including the wages, cost of supervisors or other employees engaged in training the student and the use of equipment that could otherwise be creating a product. Beginning January 1, 1997 the Youth Registered Apprenticeship Tax Credit began to help alleviate some of the financial burden for employers involved in training registered apprentices through the School-to-Registered Apprenticeship (STRA) program.

### Definitions

**Registered Apprenticeship:** Training programs operated by employers, employer associations or jointly by management and labor, designed to provide workers entering the workforce with comprehensive training by exposing them to the practical and theoretical aspects of work required by the occupational area. Those programs registered by the Bureau of Apprenticeship and Training, U.S. Department of Labor have the following 9 components:

1. Sponsored by employers and others that have the ability to hire and train in a work environment.
2. Needs of business and industry dictate content and length of training.
3. Has specific legal status and is regulated by state and federal laws/rules.
4. Leads to formal, official credentials (certification of completion and official journeyman status).
5. Involves significant investment of time and money from employers or other sponsor.
6. Provides wages to apprentices during training according to a predefined wage progression scale.
7. Participants learn by working directly under supervision of masters in the craft, trade, or occupation and attend a specified amount of classroom-related instruction.
8. Written agreements detail the roles and responsibilities of the sponsor and the apprentice. Implicit expectations include the right of the sponsor to employ the apprentice, and the right of the apprentice to expect employment.
9. Apprentices earn a Certificate of Completion that documents the achievement of industry-defined skills at industry-accepted standards.

***School-to-Registered Apprenticeship:*** An employer, association, or the employer and the union establish programs that allow high school students to participate in registered apprenticeship programs while completing their requirements for graduation.

Students are employed part-time with structured on-the-job training combined with classroom work.

Wages are paid on a graduated scale leading to journeyman status. Continued employment with the firm is expected. A formal agreement is made between the business or industry, the educational facility and the U.S. Bureau of Apprenticeship and Training. Employers must submit a copy of this agreement to be eligible for the tax credit.

### ***Eligibility***

The tax credit is for employers who train registered apprentices younger than 20 years of age, who have not obtained a high school diploma and are enrolled in high school or a GED test preparation program.

### ***Tax Credit Coverage***

The youth registered apprenticeship tax credit is up to \$2,000 annually per apprenticeship and applies to employers' Single Business Tax. The tax credit covers 50 percent of the wage-related costs of the youth apprentice including salary, fringes and other payroll expenses of the apprentice.

The tax credit also covers up to 100 percent of the costs of classroom-related instruction paid by the employer. These costs could include college level courses (tuition, fees and books) taken by the student while still in high school. The apprenticeship agreement signed by the employer and the student identifies when the employer is responsible for the classroom-related costs.

### ***Other Provisions***

The minimum term for the apprenticeship program must be 4,000 hours. School-to-Registered Apprenticeship programs established locally must be filed with the local Workforce Development Board as part of their responsibility to ensure the workforce needs of employers in their area are met.

If the tax credit exceeds the employers' tax liability, that portion which exceeds the liability will be refunded to the employer.

For more information about the School-to-Registered Apprenticeship program, contact the Michigan Department of Career Development, (571) 241-4000.

## **Changes since Program Inception**

2003 PA 273 amended the Act to allow businesses with North American Industry Classifications pertaining to tool and die industries to receive an apprenticeship tax credit of up to \$4,000 annually or a "special apprenticeship" tax credit of up to \$1,000 annually. A "special apprenticeship" is for a person ages 16-25 that is trained by a program that meets all regular apprenticeship requirements.

2006 PA 325 repealed the Single Business Tax Act effective December 31, 2007.

## **Data and Source**

The STRA program is available at over 70 certified sites throughout Michigan and more than 800 careers qualify for the program.

Source: Michigan Department of Career Development