

# Overview of the Department of Labor & Economic Opportunity FY26 Executive Recommendation

Susan Corbin, Director





## Mission

Expand economic opportunity and prosperity for all.



## Vision

Make Michigan a place where all **PEOPLE, PLACES** and **COMMUNITIES** have the economic means and personal freedoms to reach their full potential.

# LEO Partners

**Adult  
Education  
Providers**

**Centers for  
Independent  
Living**

**Community  
Colleges**

**Community  
Rehabilitation  
Organizations**

**Industry  
Associations**

**Labor**

**Michigan  
Works!  
Network**

**Universities**



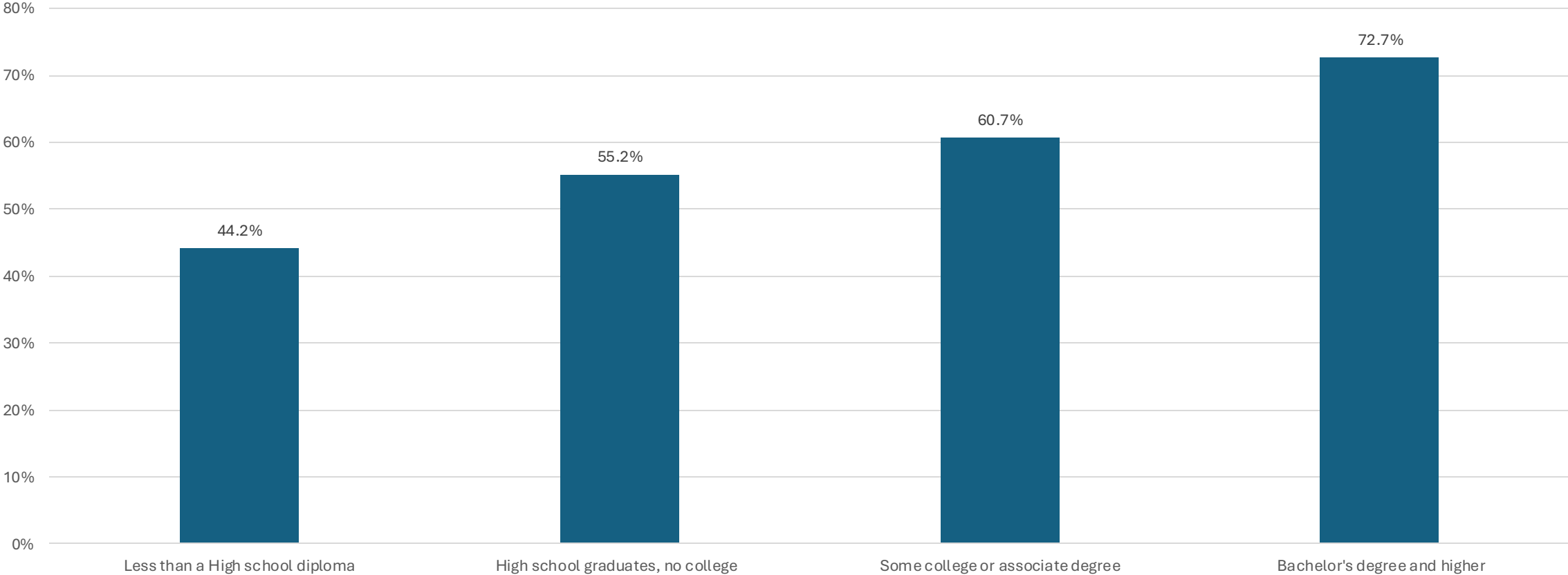
# The Major Economic Challenges the Statewide Workforce Plan and LEO Are Trying to Address

- **Labor force growth:** Business Leaders for Michigan shows that **Michigan is No. 8 for Labor Force Participation growth**. LEO's workforce development initiatives have propelled the state's labor force to **the top spot in the Midwest**, driving economic growth, creating good-paying jobs and strengthening opportunities for workers and businesses alike.
- **Growing the middle class:** Business Leaders for Michigan shows that **Michigan is No. 22** over the last three years for median household income growth. The state's goal is to move **75,000 households up into the middle class**.
- **Educational attainment:** LEO supports Michigan's goal of **60% educational attainment by 2030**.

# Growing the Labor Force:

Labor force participation increases with higher educational attainment. MI's workforce system is No. 2 in the nation in helping adults get employed.

Labor Force Participation Rate by Educational Attainment

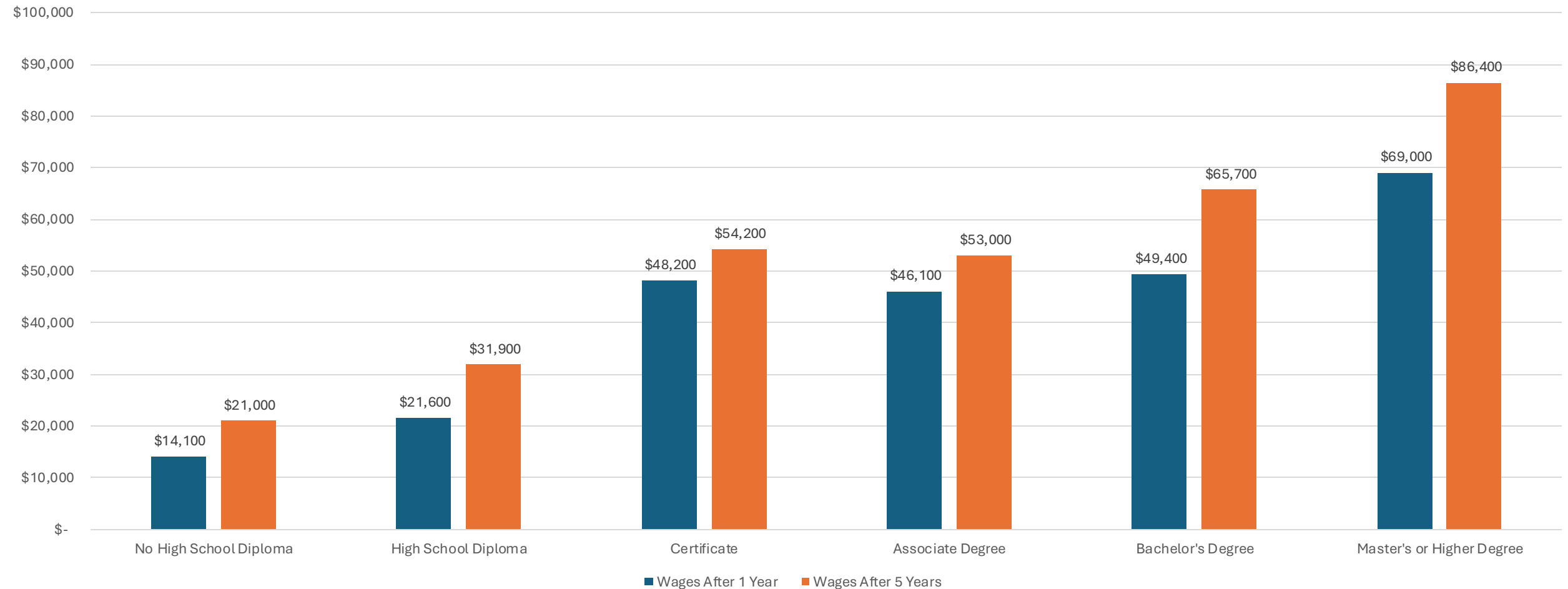


# Increasing Household Incomes:

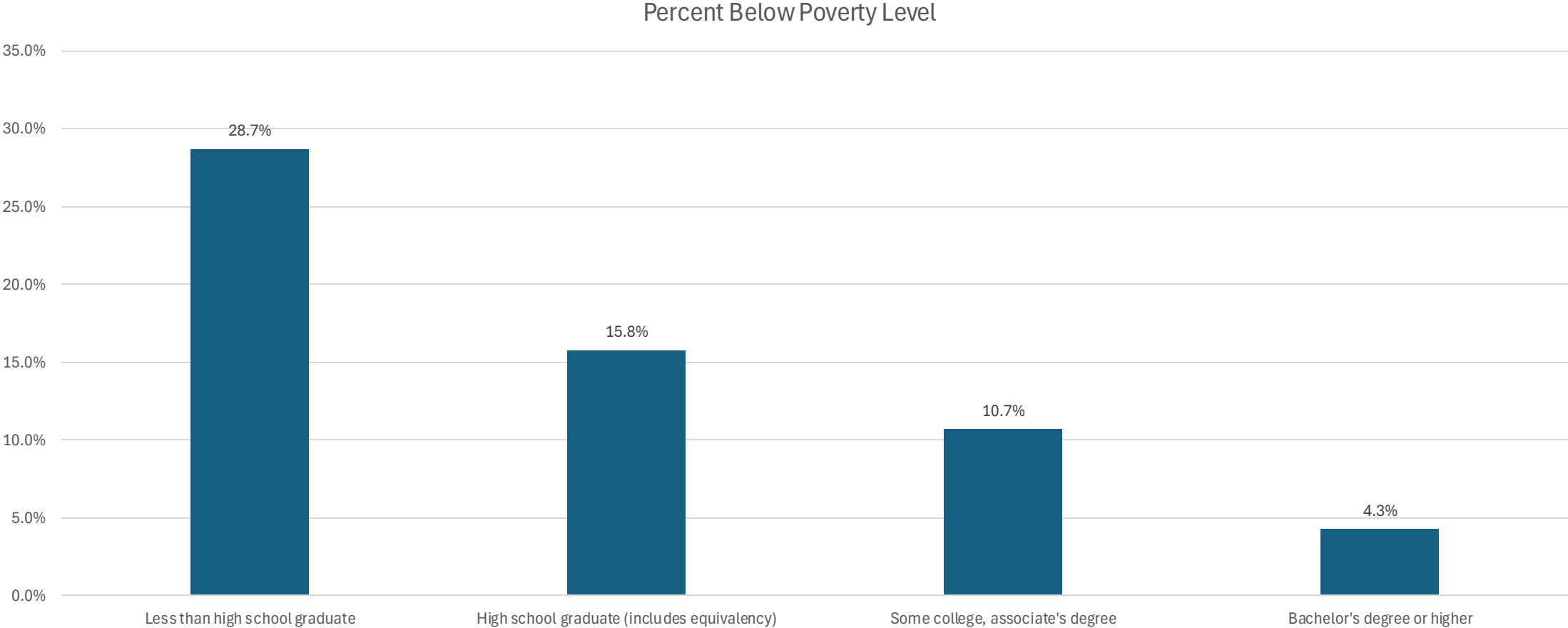
MI's workforce system is No. 1 in the nation in credential attainment for adults.

**Median annual wages increase with higher educational attainment.** People with a certificate earn more than \$20K than people with only a high school degree.

Median Wages by Educational Attainment



**Postsecondary education is correlated with lower poverty rates in Michigan.  
High school graduates had poverty rates 13% less than those without a HS degree.**





# Workforce Development Program Outcomes



- MI provides employment services to more participants than any other Midwest state.
- MI is #1 in the nation for helping Vocational Rehabilitation customers get employed and find good-paying jobs.
- MI Vocational Rehabilitation customers have highest earnings in nation.

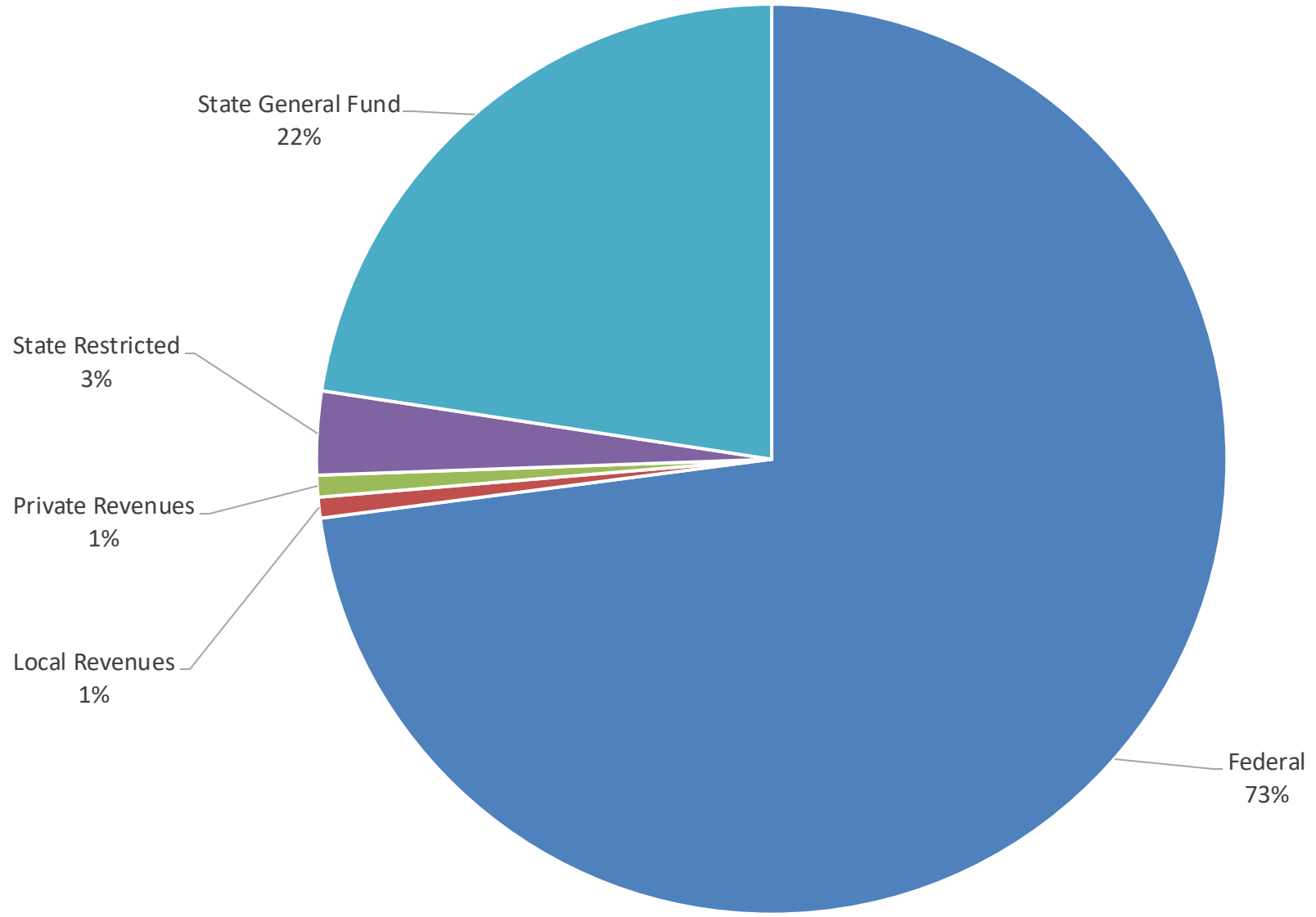


## Workforce Development Program Outcomes (cont'd.)

- Michigan is top 10 in the nation for Registered Apprenticeships
  - 4th in active apprentices
  - 6th in new apprentices
  - 6th in completers
- Michigan is #3 in nation for customized reemployment services.

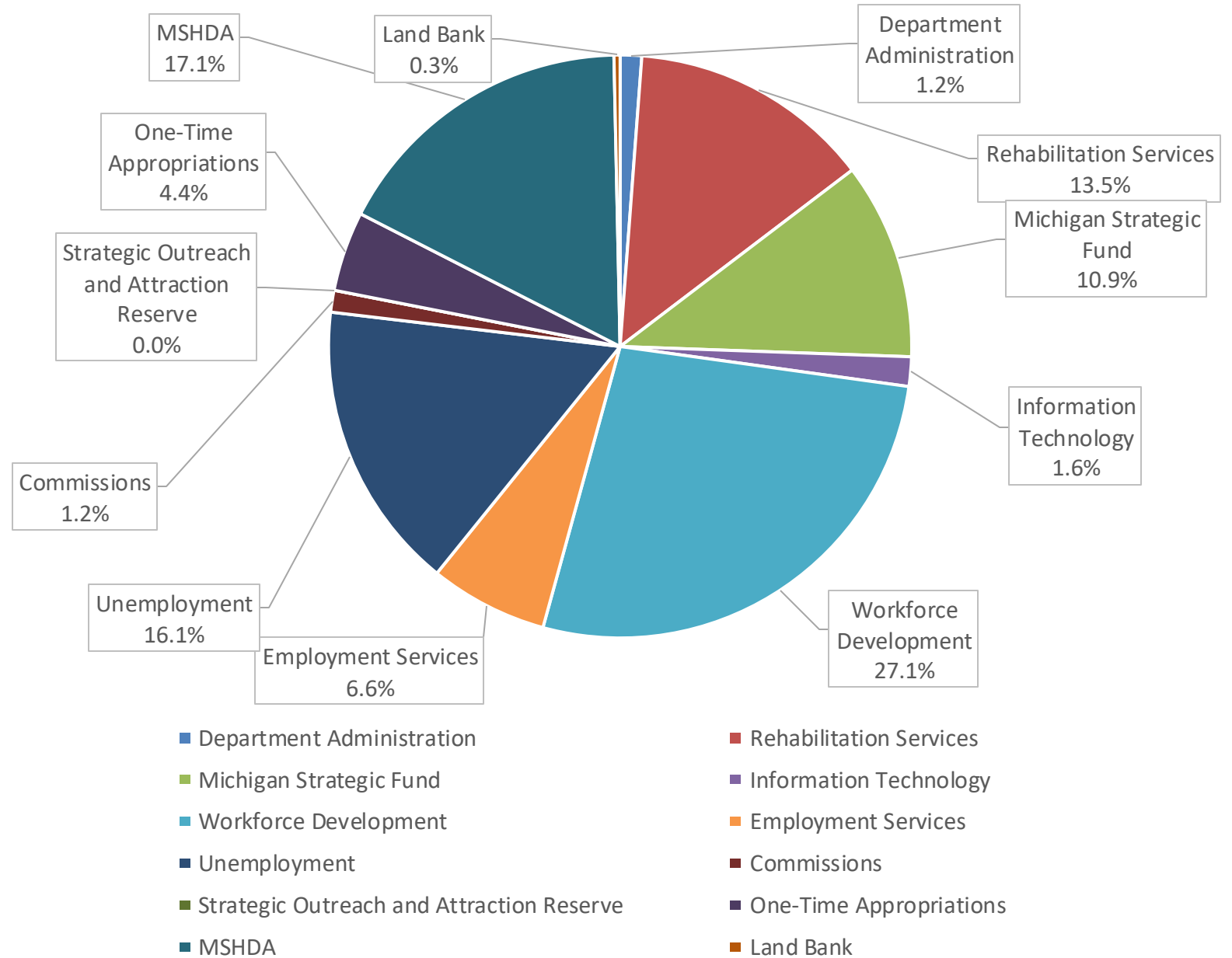


# LEO Workforce Development FY25 by Funding Source

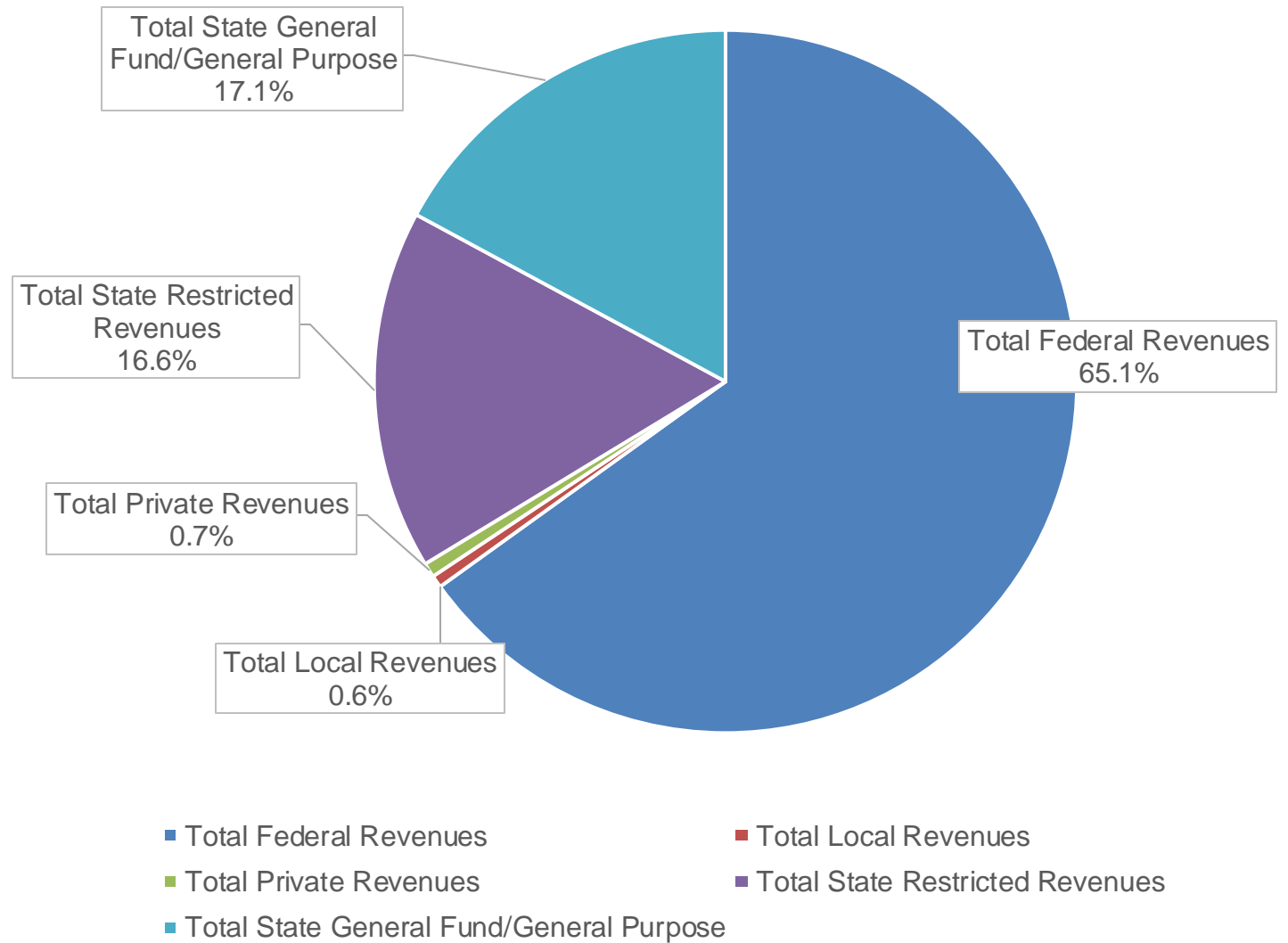


# **LEO Proposed Budget FY26**

# LEO FY26 Budget by Program



# LEO FY26 Budget by Funding Source





# Strengthening Michigan's Economic Foundation

## Supporting a Talented & Skilled Workforce

Expanding Registered Apprenticeships  
Removing Barriers to Work

## Investing in Talent

Going PRO Talent Fund  
Jobs for Michigan's Graduates

## Helping Workers & Small Businesses

Pre-employment Transition Services  
UIA Modernization

## Growing the Economy

Rural Prosperity Grants

# Supporting a Talented and Skilled Workforce

- **\$7.5M to Remove Barriers to Work** for low-income residents. Supportive services will address transportation, legal services, childcare, clothing needs, tools for work and other barriers that keep people from participating in the workforce.
- **\$19M to Expand Access to Registered Apprenticeships** to strengthen our talent pool and ensure job seekers gain in-demand skills. Provides employers with talent needed to grow businesses. Expand opportunities in traditional and non-traditional industries while offering training, wages and credentials to employees.





## 2024 Successes

# Registered Apprenticeships

- **Consistently a Top 10 State for Registered Apprenticeship**
  - *22,020 active Registered Apprentices, ranking #4 in the nation*
  - *850+ active Registered Apprenticeship programs*
- **9,300** new apprentices in 2024
- Employment rate one year after completion = 94%
- Median annual earnings one year after completion > **\$80,700**

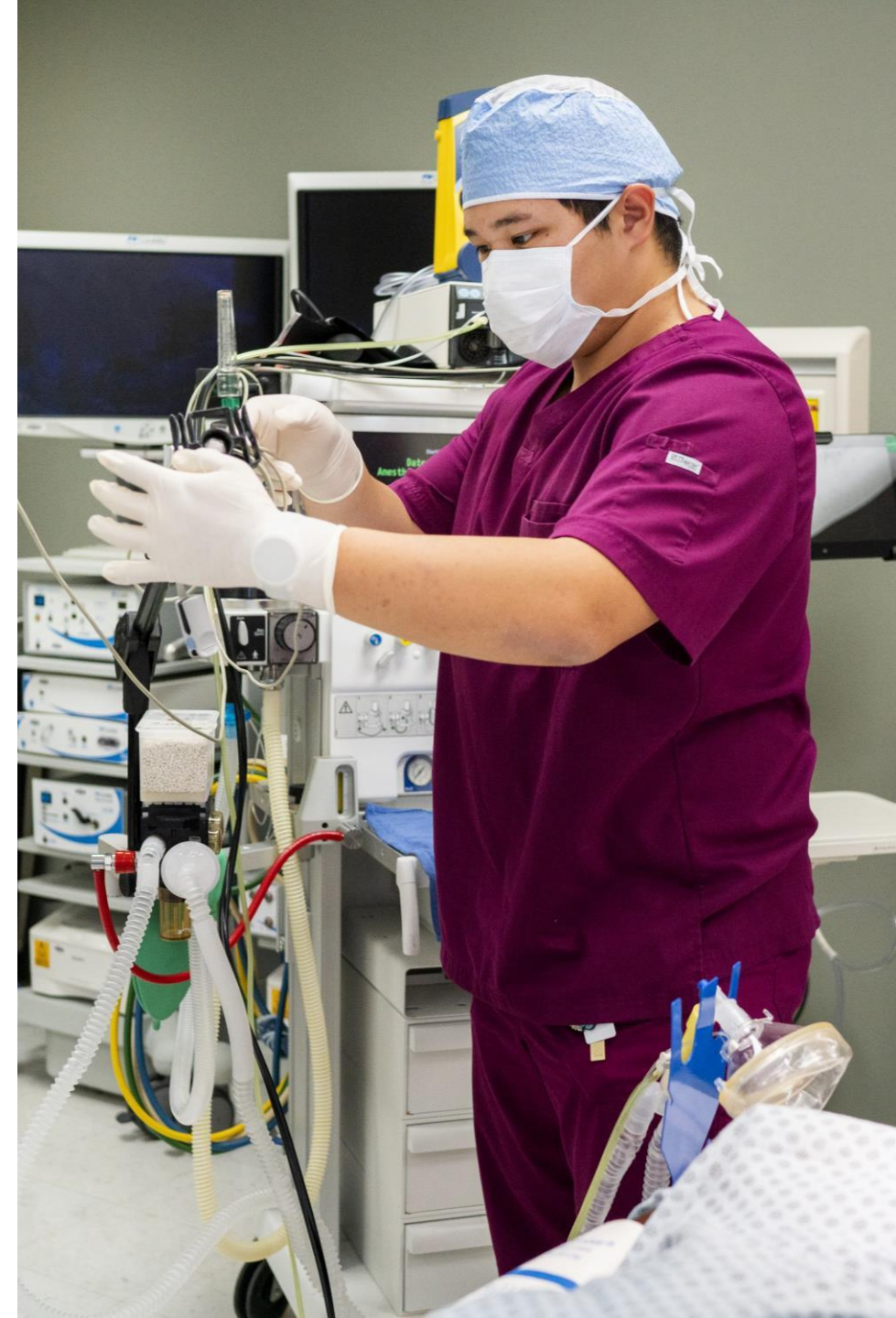
# Investing in Talent

- **\$5.7M for Jobs for MI's Graduates** to provide at-risk youth with counseling, technical skills development and job placement services. Designed to prevent dropouts, the program has helped 30,000+ Michigan students create pathways to a career after graduation and/or enrollment in a postsecondary program.
- **\$54.8M to Continue Going PRO Job Training Grants** to statewide businesses of all sizes across to support training for current and new employees in high-demand, skilled trades industries, resulting in an estimated 35,200 new hires and current employees trained.

## 2024 Successes

# Going PRO

- **8,170** awards since 2014
- **221,084** workers trained
- Size of companies receiving awards:
  - **4,871 awards** – fewer than 100 employees (60%)
  - **2,549 awards** – 100 to 499 employees (31%)
  - **750 awards** – 500+ employees (9%)
- Average training cost per worker: \$1,530
- Average wage increase 6 months after completion (FY23): 7.2%



# Helping Workers and Small Businesses

- **\$40.4M for Pre-Employment Transition Support for Students with Disabilities** (\$8.4M general fund) to meet federal match requirements, providing concentrated academic remediation, specialized tutoring and enrollment into career and technical training or college, to assist individuals with disabilities on a pathway to in-demand jobs.
- **\$9.2M to Invest in Michigan Rehabilitation Services** (\$2M general fund) and meet federal match requirements, allowing MRS to expand vocational rehabilitation services that will increase employment for individuals with disabilities and broaden the pipeline of skilled talent needed by Michigan employers.



2024 Successes

## Pre-Employment Transition Services

- Supporting students with disabilities (age 14-26) on a pathway to in-demand jobs
- Services provided through Bureau of Services for Blind Persons (BSBP) and Michigan Rehabilitation Services (MRS)
- BSBP and MRS also help businesses meet their need for qualified talent, identify barriers, set up accommodations and provide consultation and education.
- BSBP and MRS helped nearly 6,900 businesses and more than 31,000 people in FY23



- **\$1.5M to Educate Employers and Workers** (general fund) through enhanced engagement and outreach focused on workplace operations.
- **\$2.5M for Increased Support to First Responders During Cancer Treatment** to support payments for wage loss and medical care expenses for first responders who have been diagnosed with specified cancers.
- **\$20M to Continue Modernization Efforts of the UIA's Legacy IT System.** Provides additional support for the replacement of the system used to collect unemployment taxes from employers and pay unemployment benefits to claimants. A modernized system make the system more efficient and effective for claimants and employers, improve security and increase data accuracy.







2024 Successes

## Unemployment Insurance Agency

- **UIA Claimant Roadmap:** 6-step, user friendly guide to applying for benefits.
- **Online Coaching Sessions:** Teaches key UI issues.
- **UIA Community Connect:** Region-based help for workers.
- **Employer Help Center:** Tax, claim and program guide for businesses.
- **Modernization Workgroup:** Thought leaders from business, labor, navigators.



## 2024 Successes

### Unemployment Insurance Agency (cont'd.)

- **MiUI:** Modern computer system replacing decade-old legacy system.
- **Advocacy Program:** More help for workers, employers.
- **Scheduling appointments:** Now 14 days in advance
- **UIA Economic Dashboard:** Public tracking of UI trends.
- **Local Office renovations:** 4 locations; improved user experience.



# Growing the Economy



- **\$1M for the Office of Rural Prosperity** to support grants that enhance regional and statewide coordination of services and programming in rural communities and help develop the plans and partnerships needed for economic growth.





2024 Successes

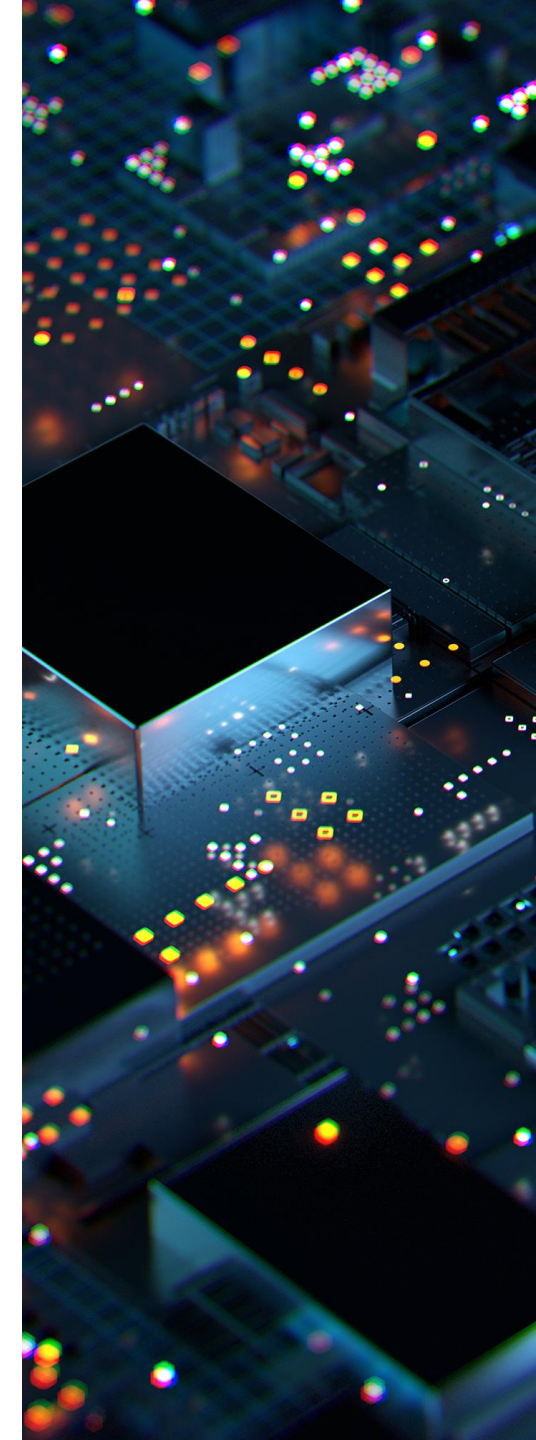
## Rural Prosperity

- **Rural Readiness Grant Program:** For every \$1 invested in rural communities, they have secured \$12.33 in additional funding.
- **Rural Readiness Network:** ORP is providing targeted services to 45 community groups across Michigan, helping them with planning, project management, grant writing and predevelopment activities that advance solutions to local and regional needs.
- **ORP leveraged \$700k in ongoing funding** to secure \$850k in grant funding used to directly support rural communities.

## 2024 Successes

# MI High-Speed Internet

- **MITTEN:** The Michigan High Speed Internet Office (MIHI) will leverage \$20.5M in funding to create Michigan's Inclusive Training, Technology and Equity Network (MITTEN) that will work to improve access to high-speed internet across the state.
- **BEAD:** MIHI completed the Broadband Equity and Development (BEAD) State Challenge Process, analyzing over 2.4M challenge records to identify locations for high-speed internet expansion. BEAD will fund projects that connect over 248,000 homes, businesses and institutions across Michigan to high-speed internet.
- **ROBIN:** MIHI also awarded second round of \$71M funding under the Realizing Opportunity with Broadband Infrastructure Networks (ROBIN) program.
  - *Seven applicants were selected and committed to connecting over 16,000 homes and businesses across Michigan to high-speed internet.*
  - *In total, through the ROBIN program, MIHI aims to bring high-speed connectivity to nearly 72,000 homes and businesses statewide by the end of 2026.*





# Growing the Economy

## MEDC/MSHDA Programs

- **\$25M** for Employer Assisted Housing
- **\$10M** for Talent Action Teams
- **\$10M** for Small Business Support Hubs
- **\$10M** for Growing the Population



**Thank you.**  
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