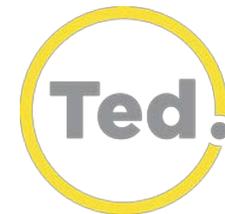


FY 2020 Budget Presentation

Home for Opportunity



Talent and Economic
Development Department
of Michigan

Stephanie Beckhorn

Acting Director, TED
Director, WDA

Jeff Mason
CEO, MEDC

Gary Heidel

Acting Director, MSHDA

Josh Burgett
Director, Michigan Land Bank



Michigan Economic Development Corporation



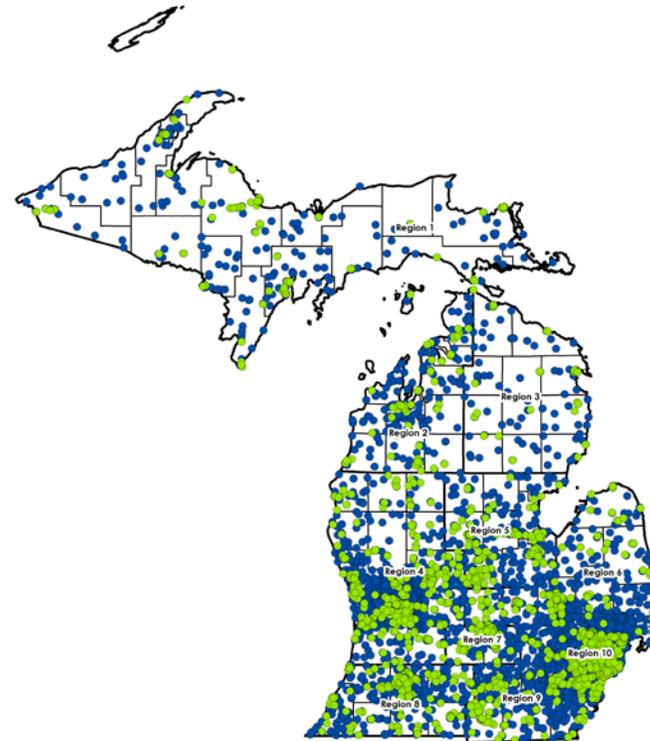
MEDC markets Michigan's opportunity and provides the tools to assist job creation and investment

Our vision for Michigan is to be a top 10 state for low unemployment, GDP growth, per capita income, and talent retention and growth.

STRATEGIC FOCUS



During the past five years, the MEDC assisted businesses and communities 31,000 times across Michigan.



Source: MEDC and Partner Data, FY 2014 - 2018.

- ENTREPRENEURSHIP AND BUSINESS SERVICES
- ACCESS TO CAPITAL, BUSINESS DEVELOPMENT, AND COMMUNITY DEVELOPMENT PROGRAMS

2020 Executive Recommendation



2020 Executive Recommendation – Michigan Strategic Fund	
Business Attraction and Community Development	\$105,379,900
Entrepreneurship Eco-System	\$16,400,000
Pure Michigan	\$31,000,000
Community Development Block Grant	\$47,000,000
Arts and Cultural Grants	\$10,150,000
Debt Service	\$11,900,000
Other Appropriations	\$25,777,800
TOTAL PROPOSED FUNDING	\$247,607,700

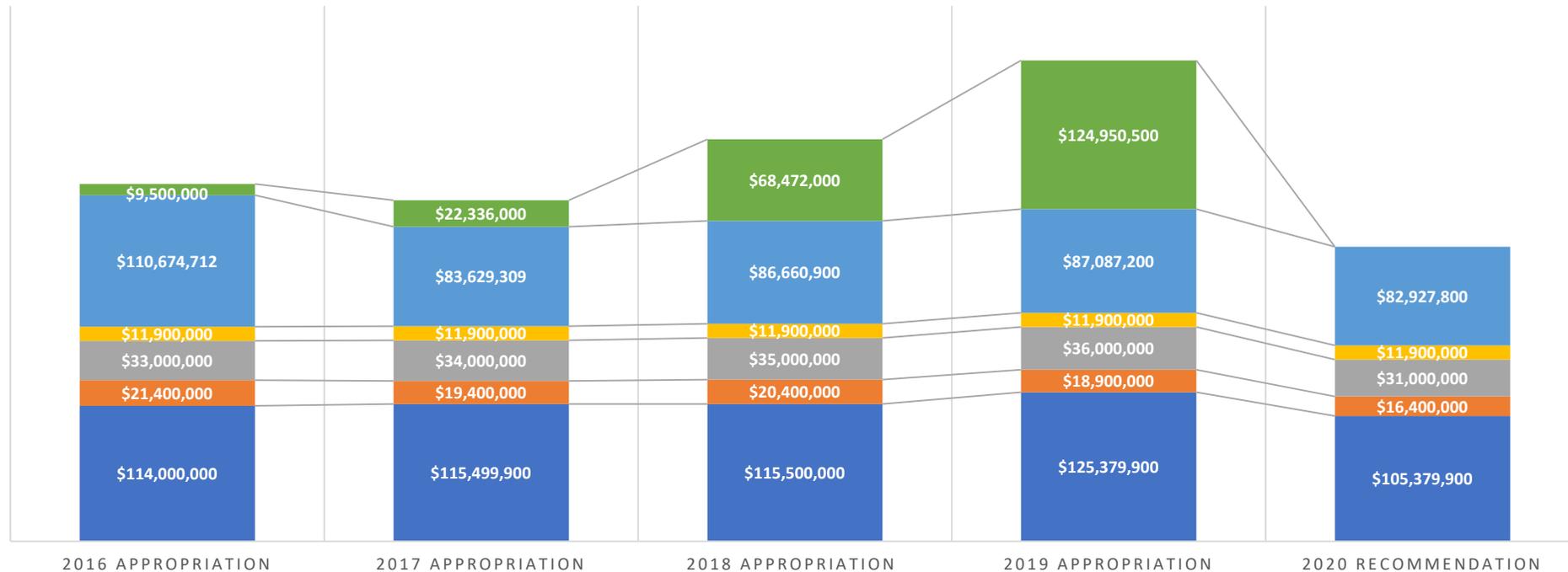
- Ongoing budgets for business attraction and community development programs maintained at 2019 original appropriated level
- Pure Michigan reduced by \$5 million to \$31 million
 - Exceeds the eight-year average for the program and maintains funding to continue the success of the brand

Appropriations Overview

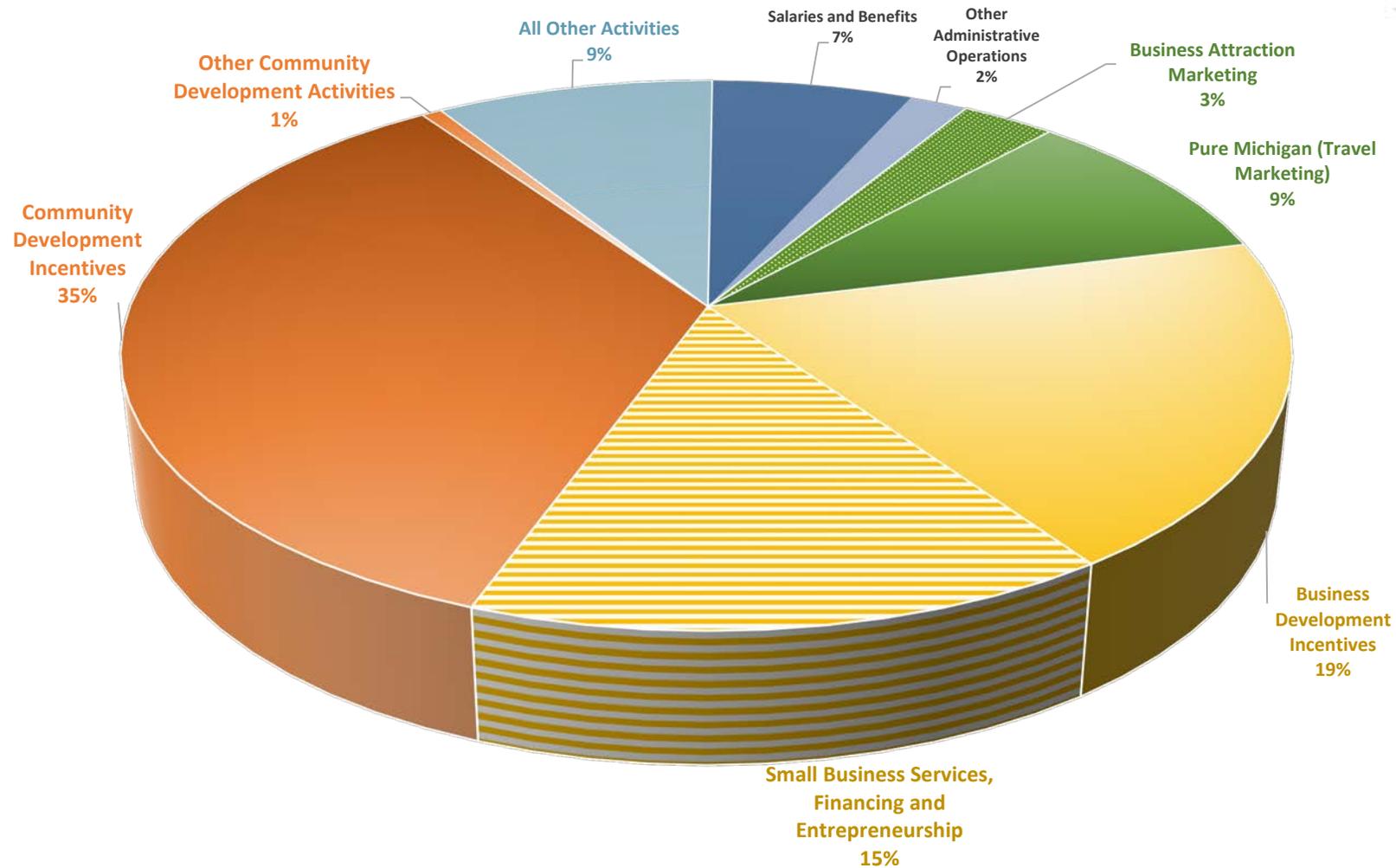


APPROPRIATIONS COMPARISON 2016-2020 PROPOSAL

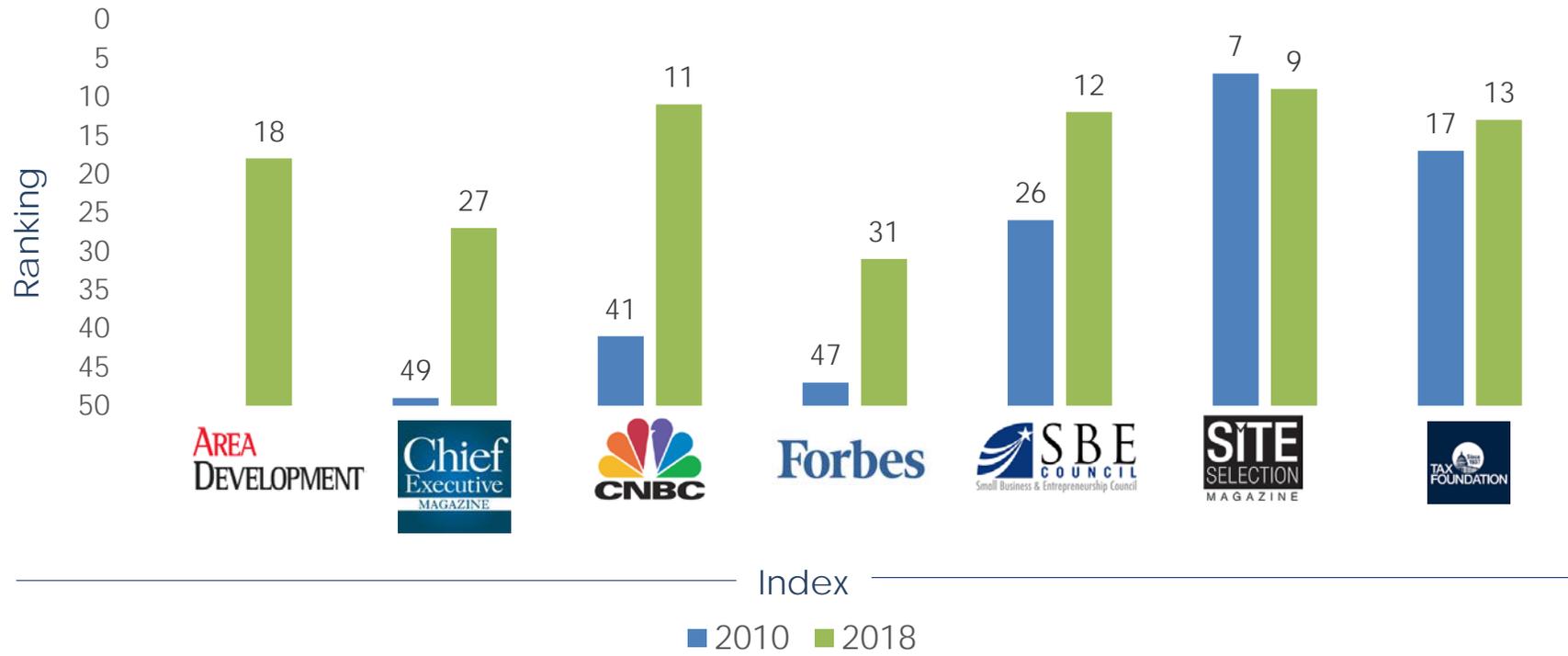
- Business Attraction and Community Development
- Entrepreneurship Eco-System
- Pure Michigan
- Debt Services
- Other Appropriations
- Legislative Grants



FY19: MSF Funded Programs and Services



Michigan's Progress in Business Climate Rankings



Michigan has Dramatically Improved its Rankings Since 2010

Talent Investment Agency



Bridges the gap between talent and employers, accomplished through:

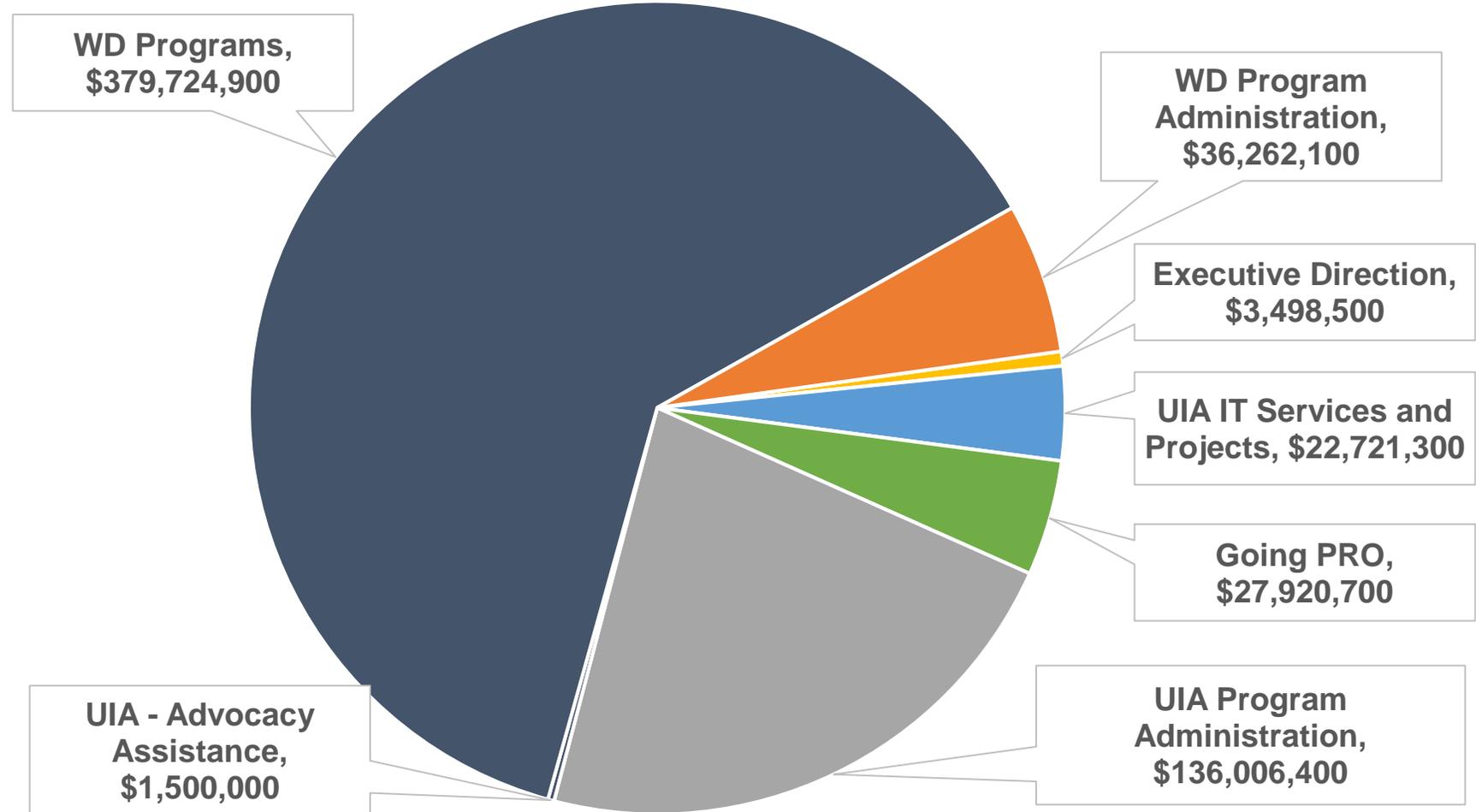
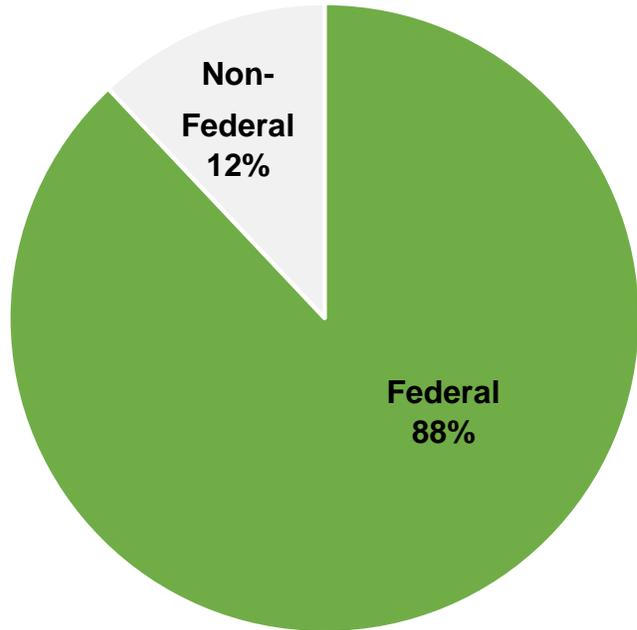
- Job preparedness
- Career-based education
- Worker training
- Employment assistance, and
- Unemployment insurance

FY 2020 Executive Recommendation — Gross Appropriation

Total Authority to Spend (Not Actual Awards):
\$607,633,900



Revenue Sources



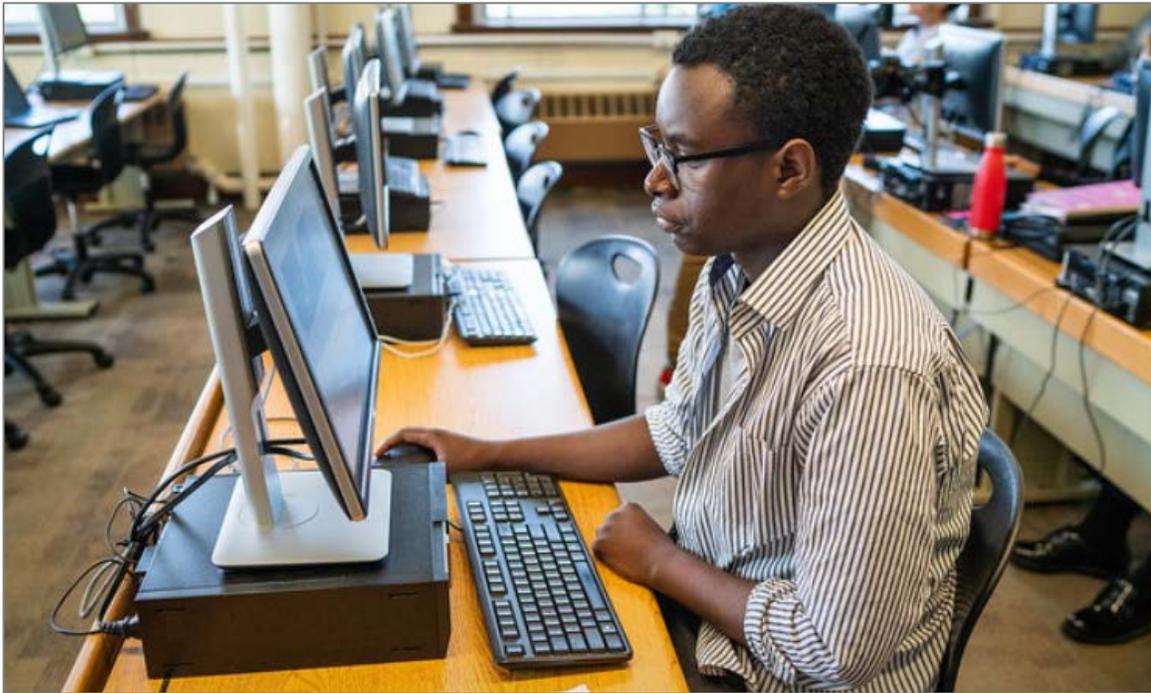
Highlighted TIA Programs

- Adult Education
- Apprenticeships
- Going PRO Talent Fund
- P.A.T.H. & Food Assistance Work / Training Programs
- WIOA: Adult, Dislocated Worker & Youth Services
- Reemployment Services and Eligibility Assessment (RESEA)
- Work Share



Adult Education

Assists adults in becoming literate and improving math and English proficiency, to obtain the knowledge and skills for employment and economic self-sufficiency.



Budget	\$40.3 million (\$13.3M Federal, \$27M State)
Participants Served	30,124

Outcomes	
Participants earning high school diploma or equivalent	3,385
Participants employed within 2 quarters after exiting program	7,358

Apprenticeships

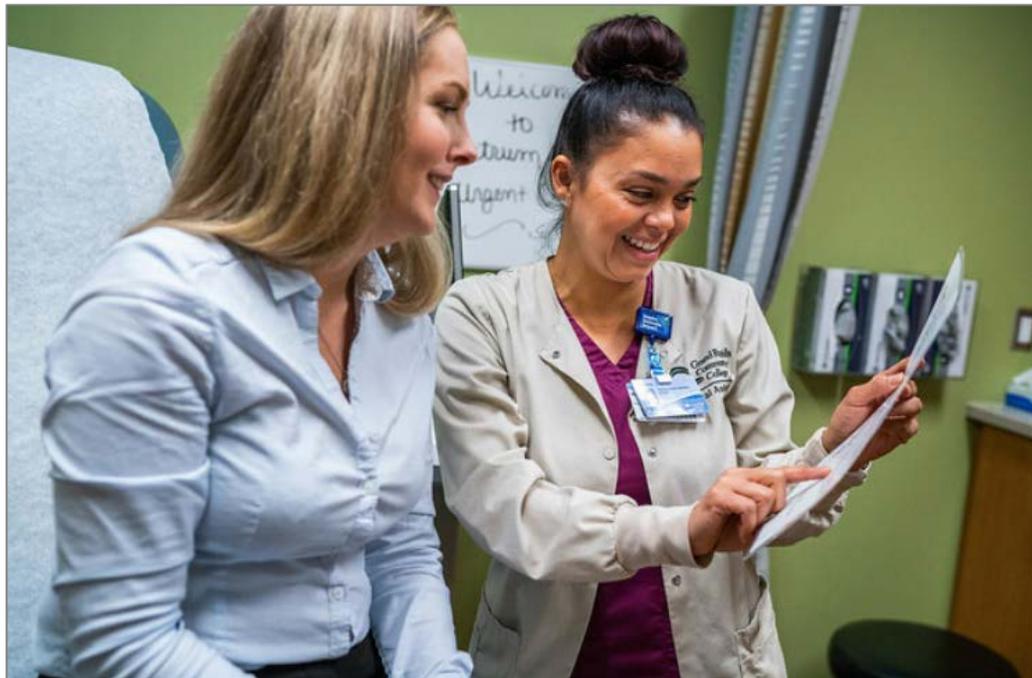
On-the-job training and related training instruction with no college tuition debt. Jobs pay an average salary of over \$60,000 per year. Nationally-recognized credential, conferred by the U.S. Department of Labor (USDOL), often including college credits up to an Associate degree.

- \$4,000,000 competitive federal grant through 9/20
- Other federal (WIOA) & state (Talent Fund) funds leveraged to support registered apprenticeships

FY18 Outcomes	
Registered apprenticeship programs	1,037
New registered apprenticeship programs	111
Registered apprentices	20,576
New registered apprentices	7,661
Apprentices completing the program	1,627

Going PRO Talent Fund

Demand-driven, short-term customized training that ensures employers have the talent they need to compete and grow and individuals have the skills they need for in-demand careers.



Outcomes	
Total awards	\$29.5 million
Companies receiving grants	780
Jobs created	5,000
Jobs retained	18,889
New US Department of Labor apprenticeships	1,500
Completion Rate	80%
Employment Retention at 6 months	80%

P.A.T.H. & Food Assistance Work/Training Programs

Helps move participants off public assistance to obtain and maintain employment, earn wages, and develop self-sustainability – with the goal of eliminating the need for public assistance.

Budget	\$75.1 million
Participants served	16,921

Outcomes	
Work participation rate	67.9%
Participants employed	9,864
Participants enrolled in an education and training activity	3,297

Workforce Innovation and Opportunity Act (WIOA) Programs

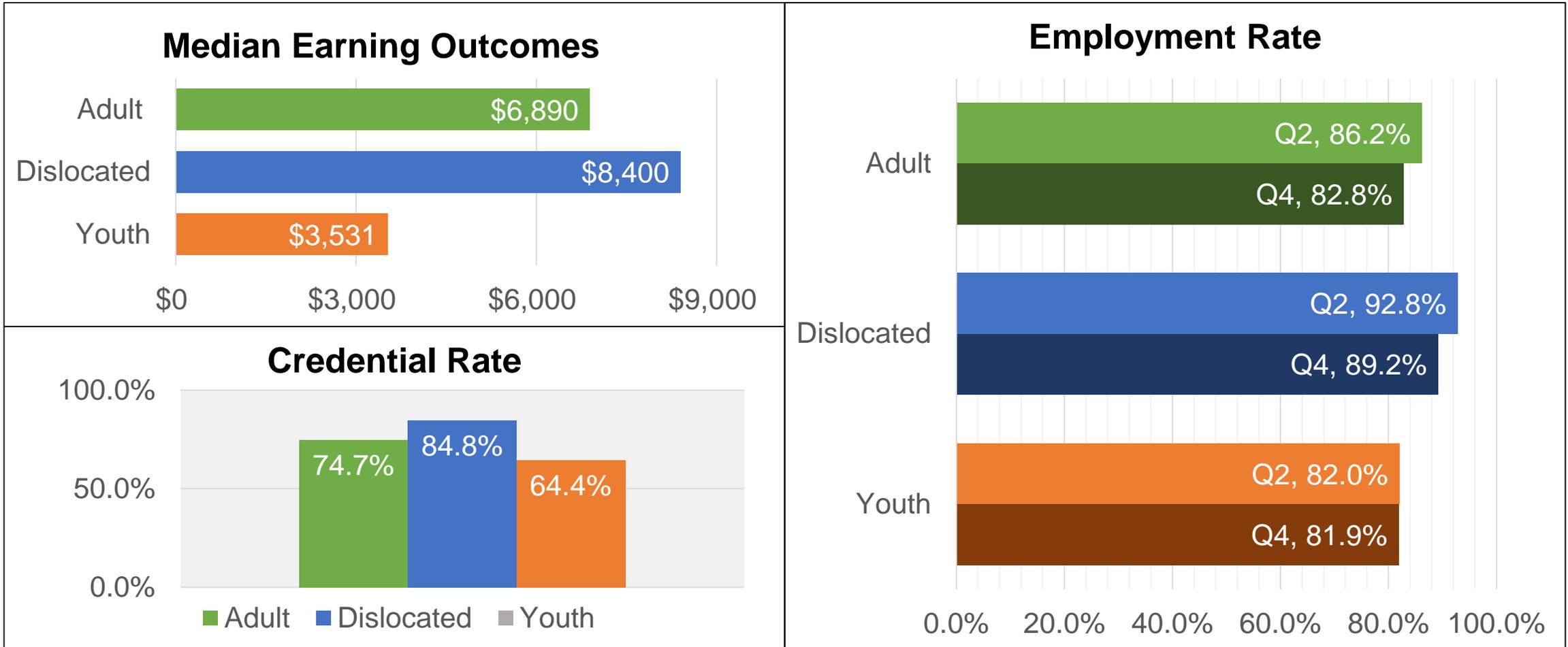


Adult & Dislocated Worker: Education and training services to help participants find employment or advance in their careers.

Specialized Services for Youth: Support to youth, ages 14-24, to overcome barriers and successfully attain self-sufficiency – by helping prepare and transition them to post-secondary education and training.

Budget	\$83.9 million
Participants served	24,467

Workforce Innovation and Opportunity Act (WIOA) Programs — Outcomes



Unemployment Benefits and Reemployment Services



Individuals are allowed up to 20 weeks of unemployment benefits. Average individual collects 12 weeks (oftentimes because they have returned to work first), which is the 6th lowest in the country.

On average, less than 1/3 of individuals filing for unemployment benefits request their full claim amount – oftentimes because they have returned to work first.

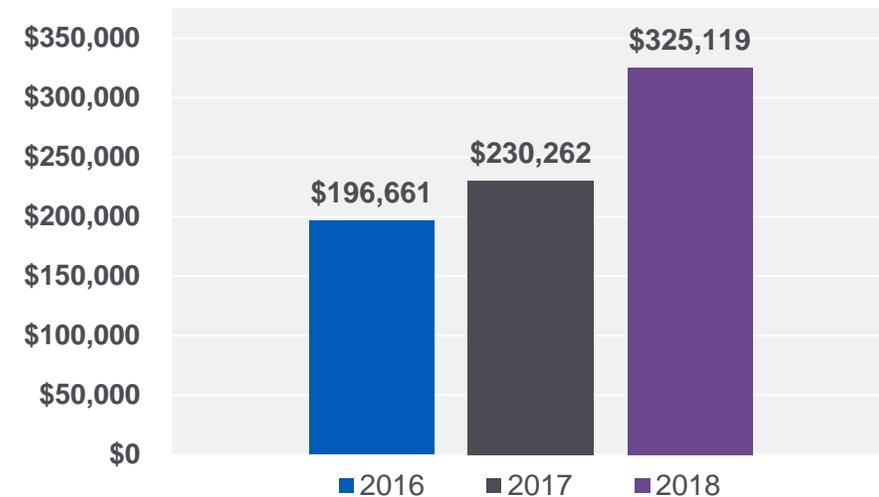
Reemployment Services and Eligibility Assessment (RESEA) Program:

- Evaluate individuals receiving unemployment benefits early in their claim to identify those that would most benefit from mediated and personalized reemployment services.
- During CY 2018, referred almost 11,000 individuals for RESEA services.

Work Share — A layoff alternative

- Allows employers to keep trained employees working reduced hours as an alternative to layoffs. Maintains operational productivity and retention of skilled workers.
- Employees may collect partial unemployment benefits to make up a portion of the lost wages.
- Since the program began in 2015, 100 businesses and more than 1,500 employees have been helped successfully.

Amount of compensation and aid to participating employees



Michigan State Housing Development Authority

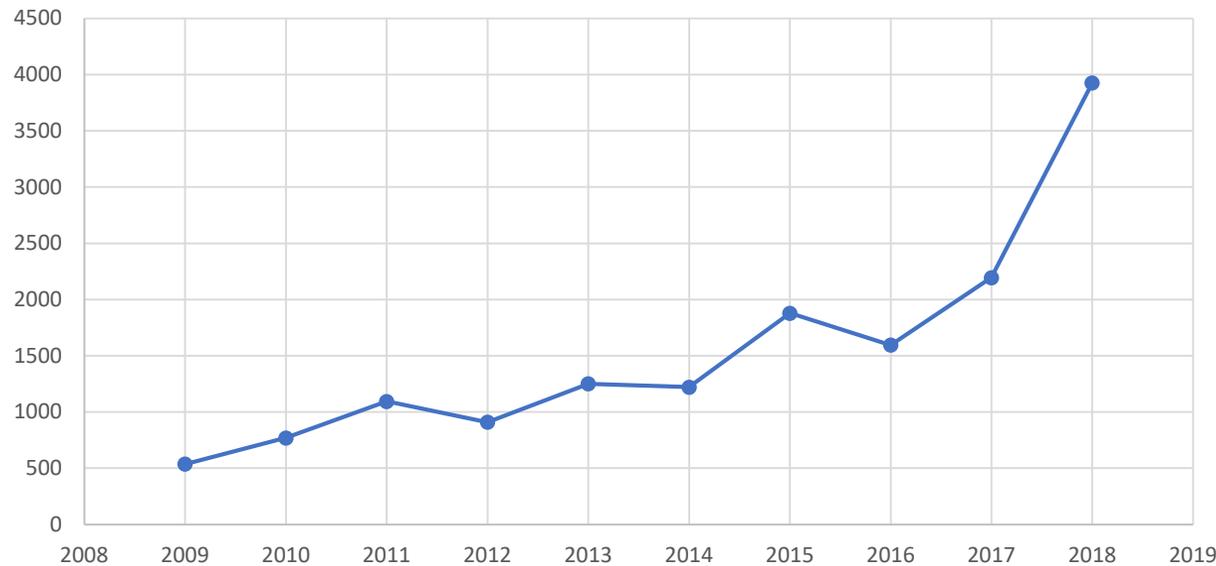


- Provide financial and technical assistance through public and private partnerships to create and preserve safe and decent affordable housing
- Promote and support homeownership through customer-focused tools and resources
- Provide communities with resources to end homelessness, particularly for veterans

Homeownership Loans 2009-2018



Mortgages



- MSHDA purchased **more** single-family mortgages in 2018 than ever before since the beginning of the program.
- We **partner** with credit unions and banks, we do not compete with them.
- Private lenders originate the mortgages and MSHDA uses bond proceeds to purchase them to assist eligible homeowners.

Rental Development: A Ten-Year Investment



\$4.5 billion
*total project investments
in the last decade*

=

*nearly 400 rental
development projects*

+

more than 32,000 rental units

Executive Budget Recommendation

- FY2020 Executive Budget Recommendation: **\$220,451,400**
- Funding Sources:
 - \$166,860,000 Federal
 - \$53,283,900 MSHDA/State Restricted Funds
 - \$307,500 Michigan Lighthouse Funds
- No state discretionary GF/GP dollars are appropriated to MSHDA



Michigan Land Bank Fast Track Authority



- Create positive economic impact to Michigan communities by recycling land to productive use
- Support local land bank operations to foster development of properties to meet community development goals



Blight Elimination



- \$84 million
- 43 counties
- 60+ communities

Since 2010, the Michigan Land Bank team has administered over \$84 million in blight elimination programs

Strategic Direction



Our focus on being more proactive, strategic and creating a better customer service has led to significant growth in our property information and property sales. Since 2017, the Michigan Land Bank sold **297 properties** and generated **\$437,013** in property sales revenue. These properties had been unproductive and off the tax rolls for more than **4,000** years combined.



Executive Budget Recommendation

- FY2020 Executive Budget Recommendation: **\$4,290,800**
- \$1.5 million GF/GP reduction
- \$1.5 million appropriated from Land Bank Fast Track Fund to offset GF/GP reduction

Funding sources	
Federal	\$1,000,000
Restricted	\$1,798,400
GF/GP	\$1,492,400

Home for Opportunity

- Retaining, attracting, and training talent is our top priority
- Innovative programming, public-private partnerships, and cross-collaboration are the tools we need to keep moving forward
- Executive Recommendation highlights programs that invest in building strong talent pipelines between education and businesses



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Questions?

