

Overview of Department Work Projects and Federal Funding

Key Projects, Federal Dollars, and Compliance

Gregory Rivet, *Chief Administrative Officer*
Bureau of Administrative Services



MICHIGAN DEPARTMENT OF
**LABOR & ECONOMIC
OPPORTUNITY**

What is a Work Project?

- In accordance with the MCL 18.1451a, a work project is a one-time non-recurring endeavor that accomplishes specific objectives and need to carry-forward the budget authority from the original appropriation act to complete the specific project.
- A work project continues to be available until completion of the work or **48 months after the last day of the fiscal year** in which the appropriation was originally made.
- **The remaining balance will lapse to the state fund.**



Overview of Work Projects at LEO

21 new work projects for FY24

- 70% obligated
- 22% expended
- 8% unobligated

Revenue source of work projects

- 3 Federal
- 17 State
- 1 Private

Ongoing vs. one-time

- 8 ongoing
- 13 one-time

Going PRO Talent Fund

FY26 Governor's Executive
Recommendation: \$54.8M

Program

- Grants to Michigan employers to support training for current and new employees in high-demand, skilled trades industries.

Funding Allocation

- 2023 Work Project: \$ 54.7M or 100% expended
- 2024 Work Project: \$49.1M or 100% Obligated / \$5.6M or 10% Expended

Outcomes

- **8,186** awards since 2014
- **221,000+** workers trained
- average hourly wage increase of **7.2%**

Registered Apprenticeship

FY26 Governor's Executive
Recommendation: \$19M

Program

- **Earn while you learn.** Strengthen talent pool and ensure job seekers gain in-demand skills; provides employers with talent needed to grow businesses.

Funding Allocation

- \$25M or 100% Obligated / \$17.6M or 71% Expended

Outcomes

- **94% employment rate** one year after completion.
- Median annual earnings after completion of **\$80,700+**

Barrier Removal Employment Success

FY26 Governor's Executive
Recommendation: \$7.5M

Program

- Supportive services address transportation, housing assistance, legal services, childcare, clothing needs, tools for work and other barriers that keep people from participating in the workforce.

Funding Allocation

- \$14.8M or 99% Obligated / \$3.5M or 24% Expended

Outcomes

- Employment **12% higher** one quarter after exit
- Median wages **\$6,920 higher** than before participating in program

Blight Elimination Program

Michigan.gov/LandBank

\$150M Investment

- \$75M General Fund (GF)
- \$75M Federal ARPA SLFRF

Fund Allocation

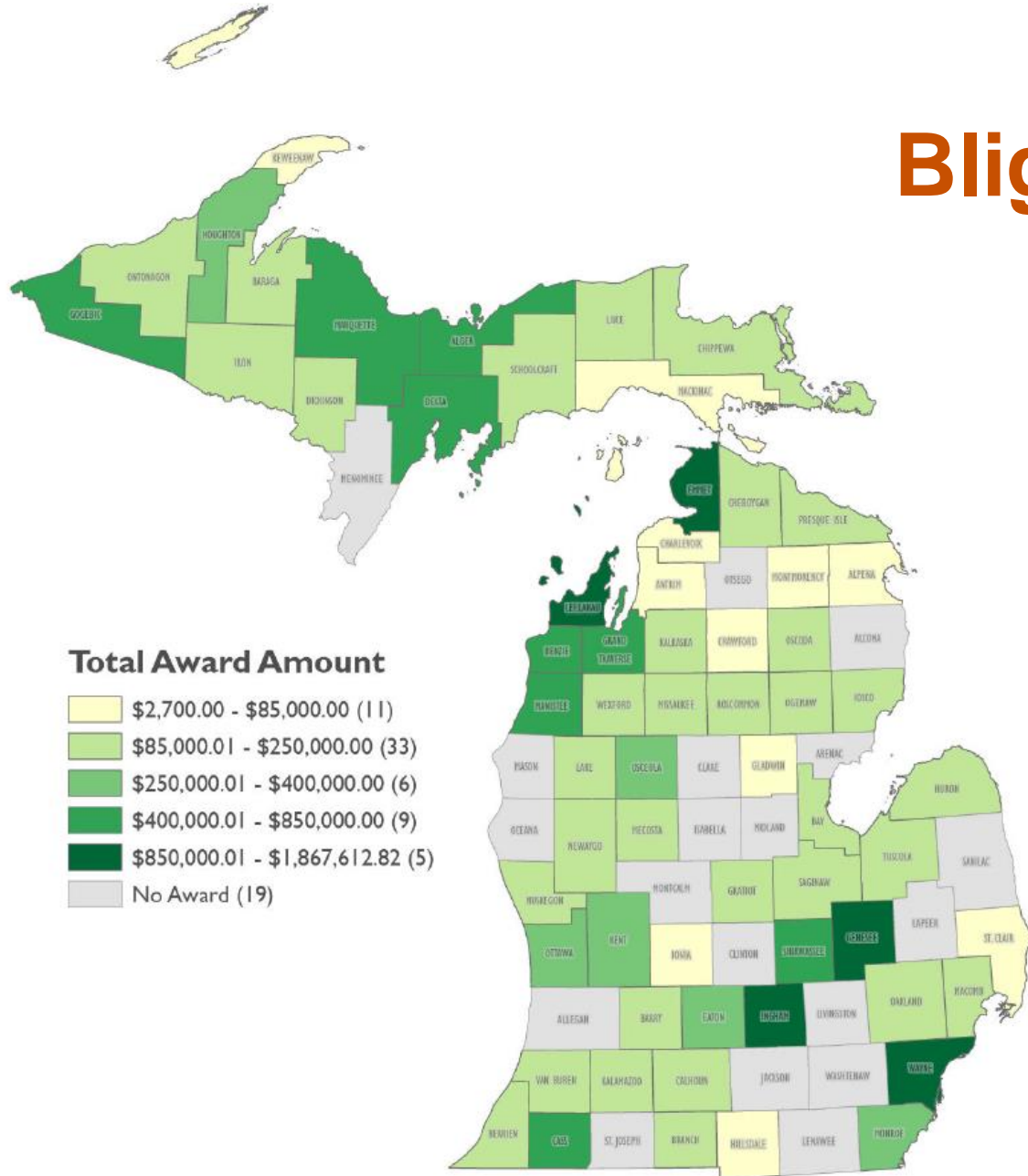
- \$97M for community-directed and competitive grants (\$75M ARPA / \$22M GF)
- 100% of ARPA funds allocated
- GF funds supported 98 grants in 63 counties

Unallocated Funds

- \$300,000 in returned GF funds to be reallocated by May 1, 2025
- Unmet grant requests of several million remain

Blight Elimination Program

Round 1 & 2 Awards



Statewide Reach

- ARPA funding supported 569 projects in 39 counties
- In total, funds reached 69 counties
- Minimum of \$200,000 offered to all counties; some chose not to accept

FY23-24 Work Projects

- Housing Grants
- Housing and Community Development Fund
- Habitat for Humanity
- Housing Readiness Incentive Grant Program

Prior Year Authorizations

- Housing Gap Financing and Affordable Housing
- Housing and Community Development Fund
- COVID-19 – Residential Clean Energy Improvements



Huron Beach, Iosco County

MI Neighborhood

- **MI Neighborhood is supporting the implementation of the Statewide Housing Plan with a low-barrier, common application.**
- Since April 1, 2024, we've committed more than \$120M to the program to respond to the regional goals identified by each of the Regional Housing Partnerships.
- MI Neighborhood represents the consolidation of nine targeted programs and funding into a one-stop shop.
- Open to local governments, as well as for- and nonprofit developers.
- Supported by about \$30M annually in HCDF.



Eaton Village, Eaton Rapids



Housing Readiness Incentive Grant program

- Grant funding supported cities, villages, townships, and counties in adopting or eliminating rules and regulations to encourage building more housing and making housing more affordable.
- Successful applicants received up to \$50,000 to cover costs associated with changes to land use policies, master plan updates, zoning amendments, and similar activities.
- Funding was exhausted in under 14 months.



Erin Park, Macomb County

Employer-Assisted Housing Fund

- Michigan is adding just one new home for every 14 new jobs created in the state.
- New \$10M fund offers dollar-for-dollar match to employers investing in housing for local workforce.
- Rental housing must remain affordable for at least 10 years; for-sale housing 5 years.
- Employers can contribute cash investment, land donation, a below-market rate loan, or some combination approved by MSHDA. Housing cannot be conditioned on tenant's employment.
- In the first three weeks since launch, we've received five complete applications; 21 more are in progress.

Status of Enhancement Grants for FY24 & FY25

FY24 One-time Enhancement Grants

Over 150 One-time Grants

Executed Grants	100%
Disbursed	28%

FY25 One-time Enhancement Grants

207 One-time Grants

Executed Grants	48%
Disbursed	4%
Legislative Sponsor Packet Received	86%

LEO Federal Dollars

FY25 Budget

- LEO's budget includes funding from **28+ federal programs/projects**

Distribution

- Funds spread across **8 agencies**, with Workforce Development leading (21+ programs)

Awards Breakdown

- **Annual Federal Awards:** 19 programs
- **Competitive Grants:** Remaining programs from successfully applied grants

State Match Requirements for Federal Dollars

EXAMPLE

State Match

- Non-federal dollars required to access federal funds.

General Funding Ratio

- For every **\$1 general fund spent**, the federal government provides **\$4**.

FY26 Budget Recommendation

- \$40.4M for Pre-Employment Transition Support for Students with Disabilities.

State Investment

- \$8.4M (general fund) → **Enables access to \$32M** in federal vocational rehabilitation funding.

Management and Operation Process for Work Projects and Federal Spending



Oversight and
Budgeting



Expense
Monitoring and
Approval



Payment
Requests and
Reporting



Audit and
Compliance



FTE & Work Plan Status

Thank you.

Michigan.gov/LEO



MiDeptLEO



MichiganLEO



MichiganLEO



MichiganLEO