

## Directors Report March 21, 2024

### Legislative Day

The Michigan Works! Association hosted another productive Legislative Day event on March 13, 2024. Overall, there were 90 meetings with lawmakers, which was a 13% increase from last year. Key elements of workforce development advocacy included the Going PRO Talent Fund, career exploration, the Michigan Skills Fund and barrier removal supportive services.

### National Association of Workforce Boards (NAWB)

Local and Statewide advocacy is not limited to one day per year in Lansing. MW! will continue advocacy efforts in Washington D.C., next week at the NAWB conference.

### State Workforce Plan

Governor Whitmer announced the first ever [Michigan Statewide Workforce Plan](#) which lays out a vision to create jobs, support workers and employers.

The plan includes three core pillars with corresponding goals and strategies that will help the state address workforce challenges.

- Help more Michigan residents earn a skills certificate or degree.
- Increase access to opportunities that grow the middle class.
- Support business and entrepreneurial growth and talent solutions.

### President Biden's Proposed 2025 Budget

On Monday, March 11, President Joe Biden released his budget request for fiscal year 2025 (FY25), which begins on October 1, 2024. Congress has not yet passed an FY24 appropriations bill for Labor-HHS-Education, therefore, the programs and activities for the Departments of Labor and Education are operating under a continuing resolution. References to 2024 spending in the budget request reflect the levels provided by the continuing resolution.

[Click here](#) to access the Department of Labor's budget request summary.

[Click here](#) to access the Department of Education's budget request summary.

[Click here](#) to access the full FY25 Budget Request.

### **State Budget**

On February 7<sup>th</sup>, Governor Whitmer released her executive recommended budget.

The Administration has posted several documents to the state budget office website and you can find additional information [here](#).

- **\$20 million additional one-time for Going PRO**
- **New \$5M Juvenile Justice Investment**
- **\$25 million for the Build Ready Sites Program**
- **\$20 million for Business Attraction and Community Revitalization**
- **\$2.5 million for Rural Prosperity Grants**
- **\$20 million for Talent**
- **\$4 million for the Michigan Growth Office**
- **\$500 million for the Strategic Outreach and Attraction Reserve Fund**
- **\$50 million for the Revitalization and Placemaking Program**

### **Federal Update**

In November 2023, the House Education and Workforce Committee voted in favor of the Stronger Workforce for America Act – a significant step in the reauthorization of the Workforce Innovation and Opportunity Act (WIOA). While this bipartisan legislation introduces several positive provisions aimed at enhancing the flexibility and effectiveness of our local workforce development efforts, there are critical aspects that must be addressed to ensure continued success in serving Michigan's unique community needs.

**Commendable Provisions:** The Act acknowledges the critical feedback from local workforce stakeholders, making strides in several areas:

- Simplifies the process for local governments to serve as one-stop operators.
- Increases the funding cap for incumbent worker training, enhancing skill development within existing workforces.
- Expands operational flexibility for local boards regarding one-stop centers and affiliate sites.
- Introduces a more stable state funding mechanism for Infrastructure Funding Agreements, addressing long-standing negotiation challenges.
- Maintains full transferability between Adult and Dislocated Worker accounts, ensuring adaptability to shifting workforce needs.
- Adjusts definitions and service priorities to better serve Opportunity Youth, lowering the required percentage and broadening the scope for support.
- Establishes a dedicated funding source for Individual Training Accounts (ITAs) for Dislocated Workers, directly benefiting local boards through formula distribution.

**Areas of Concern:** Despite these positive steps, the Act mandates conditions that could restrict local decision-making and limit the scope of services offered to job seekers and employers:

- **Mandates a 50% training expenditure** for Adult and Dislocated Worker funds, imposing a one-size-fits-all approach that undermines local flexibility and fails to recognize the value of supportive services integral to training completion and workforce participation.

- **Increases the Governor's Reserve to up to 10%** for a 'Critical Industries Fund,' potentially diminishing local resources vital for delivering mandated training services. This provision could redirect federal and existing reserve funds away from local initiatives, diminishing the impact of federal investments on state-level workforce development.
- **Introduces redesignation language** that could enable state-wide consolidation of local workforce areas against the majority will of local boards, potentially diluting local focus and undermining the representation of job seekers and employers.