



115 ERSKINE
SECOND FLOOR
DETROIT, MICHIGAN 48201
PHONE (313) 876-0674
FAX (313) 664-5505
TTY NUMBER: 711

March 16, 2023

David Whitaker, Esq.
Director Legislative Policy Division
208 Coleman A. Young Municipal Center
Detroit, MI 48226

Dear Mr. Whitaker:

In response to your email dated March 14, 2023, please see attached Detroit Employment Solutions Corporation's responses. Please feel free to reach out to me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Terri Weems", is placed on a light-colored rectangular background.

Terri Weems
President

Enclosure

cc: Nicole Sherard-Freeman, Group Executive - Jobs, Economy & Detroit at Work (City of Detroit)
Dana Williams, Chief Strategy Officer (Detroit at Work)
Donnie Johnson (City of Detroit)
Lisa Scarbor (City of Detroit)
Eunice Williams (City of Detroit)

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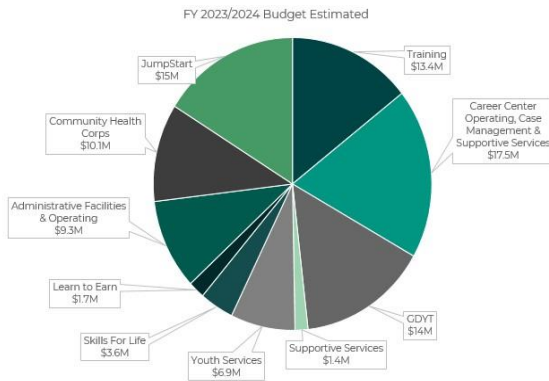


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Detroit Employment Solutions Corporation/Mayor’s Workforce Development Board
FY 2023-2024 Budget Analysis by the Legislature Policy Division

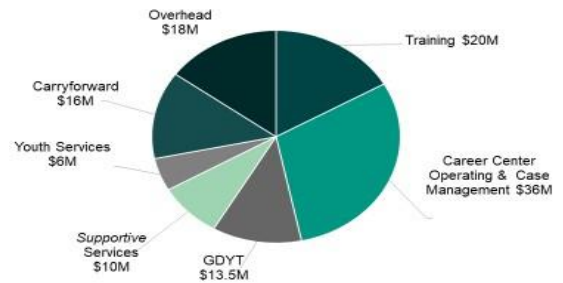
1. Please provide the FY 2023 and FY 2024 operating and capital budgets for the DESC.

FY24 BUDGET Estimate (\$93.2M)



FY23 Budget Estimate (\$121M)

**Draft budget includes projected allocations and fundraising targets*



2. Please provide budgeted level of employees for FY 2023 and FY 2024. Please provide the level of vacancies as of February 28, 2023. Please explain the difficulty of filling vacant positions.

DESC has 210 positions in its current budget, of which 196 are filled. Our draft budget for 2024, however will not be finalized until June 2022 when we have a better estimate of next year’s state allocations and other potential revenues from the State of Michigan and from philanthropic investments. As we develop better estimates of revenues, we will determine whether additional resources are needed to launch and implement the workforce strategy. Our primary difficulty in filling current vacancies is the ability to offer competitive pay as we recruit from all industries since we are a nonprofit organization.

3. Detroit at Work has assisted in identifying, preparing, and recruiting Detroiters for job opportunities at the expanded FCA plant on the eastside. How many Detroiters were selected to interview and how many were hired? What issues were identified as the primary impediments to employment for the Detroiters who were interviewed, but not hired?

Please reference the most recent Stellantis Quarterly Report for a full history of applicant data, marketing & outreach activities, related specialized employment training, and supportive services offered to applicants and hires located online at the [City of Detroit Planning & Development Department webpage](#). The most recent report from Q4 2022 is there and also attached here for your reference.

4. Detroit at Work and Detroit Public School Community District (DPSCD) have partnered to move adult education programs into neighborhood Career Centers.

- DPSCD adult education programs are 100% tuition free and include in class and online options.
- 3 programs offered:
 - GED Preparation
 - High School Completion (upon transcript review)
 - Reading and math enrichment

How successful has this collaboration been? Does this program have any direct connection to future employment for its graduates? What is the annual level of enrollment?

In our partnership with DPSCD, our collective annual enrollment has averaged 700 per year for the last 2 years. Many students are continuing from past years' efforts. Each student enters the Adult Education program via our Detroit at Work Career Center network. In this process, they are offered services (based on eligibility) to support them in their pursuit up to and including job training and employment services as they need during and after their Adult Education pursuits.

Detroit at Work established its partnership with Detroit Public Schools Community District (DPSCD) in 2020 to offer Learn to Earn and other adult education to Detroit residents. Over the subsequent three years, we've increased DPSCD's enrollment into their GED and high school completion program from 650 last year to 800 new students in the current year. Detroit at Work has become the front door for this partnership and students work closely with career coaches at our procured career centers to identify individual employment and training plans. Students are followed closely throughout training to identify and remove barriers to assist with successful completion. Additionally, students are tested regularly to identify their Educational Functioning Levels (EFL) which is the benchmark by which GED programs are measured.

Through our Learn to Earn program where students earn a stipend while attending school, we've enrolled 244 students last year and have exceeded our enrollment number (300) this program year to 356 to date. Over 100 students have completed GED or received their high school diploma. Once students complete the program, they are assisted with their next goal which could include employment, occupational skills training, or enrollment into post-secondary education. After a student is employed, they are tracked for at least a year to ensure they're still working or in need of supports to maintain employment.

5. Detroit at Work has the Skills for Life program and its appeal to its enrollees are as follows:

- If hired by the City of Detroit, you'll work three days per week on projects that are important to the city, making a positive impact in neighborhoods across Detroit. You'll also be paid to attend education or training two days per week to earn a credential that leads to a career.

- You'll get valuable experience and skills that you can put on your resume and have a reference for future employment.
- You'll be able to get your GED if you don't already have it or earn a credential needed for in-demand jobs.
- After you complete the education or training program, you will graduate from Skills for Life and transition into a job that pays around \$17 an hour.
- You'll be on a career path that gives you the opportunity to increase your pay to \$20/hr., \$25/hr., or even more.
- We will help you with a transportation and childcare plan and also provide career coaching and other supports that increase your long-term success in the program and beyond.

Is this program at full enrollment? How long is the training under the program? What percentage of its enrollees complete the program and advance to full-time employment?

The Skills for Life program executed in partnership with the General Services Department of the City of Detroit has hired 471 during the program life cycle and provided career readiness training to 415 of those hires. The program offers 7 occupational training courses that range in length from 5 weeks to 24 weeks and adult education classes that are crafted to the individual time needed of the participant. 102 participants have completed training so far, 41 have been placed in new positions (22 of these remain with the City) and the other 61 are still being supported in this process.

461 people started Skills for Life and there are 181 active participants. The program is currently fully- enrolled, however, there are 150 additional employees expected to start as either Blight Remediation Techs and/or as Environmental Technicians and Park Ambassadors in the Spring. We are currently accepting new participants.

Occupational training ranges from 5 – 22 weeks and is dependent on the training track the participant chooses. GED preparation and educational program lengths can vary depending on the individual's skill set prior to enrollment. Additional metrics on program participants can be found below:

- 90% of participants completed career readiness training
- 32% of participants have completed an occupational training or obtained their GED, with more still in training
- Nearly half of those who completed their occupational training or GED have obtained a job earning \$17 or more.

- 6. It is commonly considered that most major developments in the city that receive City of Detroit incentives to develop and are thereby held to the standard of providing 51% of the construction jobs to Detroiters, will fall short of that goal and face fines, due primarily to an overall shortage of available Detroiters in the skills trades industries. However, according to its website, Detroit at Work, has over 40 training programs, including the following *Skills Trades*:**

- Brookins Construction – Craft Laborer Apprenticeship
- Brookins Construction – Residential Carpentry Apprenticeship
- Brookins Construction – Building Maintenance Repair Apprenticeship
- Detroit Training Center – Blight Removal
- Detroit Training Center – Drywall Finishing
- Detroit Training Center – Heavy Equipment Operator
- Detroit Training Center – Masonry Restoration and Asbestos
- Detroit Training Center – Welding MIG Production Worker
- EITI – Pre-Apprentice Carpentry
- EITI – Pre-Apprentice Electrical
- EITI – Pre-Apprentice Electrical (Skills for Life)
- Goodwill Industries of Greater Detroit – Welding
- Great Lakes Water Authority – Electrician Maintenance Apprenticeship
- Great Lakes Water Authority – Water Technician Apprenticeship
- Our Town Training School – Commercial Painting
- Our Town Training School – Residential & Commercial Masonry

Given this level of training available, why are there still shortages? Is there a lack of individuals enrolled in these trainings, or is there not enough training to keep track with the need for available Detroiters?

Detroit at Work has refined its strategy to prepare Detroiters for jobs within the skilled trades. Our strategy is informed both by the needs of contractors and interests of Detroit job seekers. DAW utilizes customer choice when enrolling participants into vetted and eligible programs in high-growth/high-demand occupations and industries. We utilize Labor Market Information (LMI) to inform our understanding of the construction industry, which tracks past trends in overall industry employment.

While the State of Michigan’s Labor Market Information is useful for industry trends, it does not accurately project current and expected demand for workers. Therefore, Detroit at Work must rely on its employer (contractor) and union partners to provide accurate projections of their expected workforce needs. We use this information, coupled with data on Detroiters’ career interests, skills, qualifications, and need for supports, to guide our recruitment, program development and training investment activities. Additionally, Detroit at Work only invests in training connected to direct employment.

To assist Detroiters who are not able to pass skilled trades and other tests for employment, Detroit at Work has developed comprehensive, holistic, evidence-based programs that point to long-term career pathways. Overall, our goal is to provide programs that lead to immediate employment. We use a combination of state, philanthropic, federal and local funds, including Executive Order compliance fees, to support Detroit at Work training programs related to skilled trades. For those with limited work history, no high school diploma and/or basic skills gaps, we provide a range of foundational skills programs. These programs build basic work readiness and academic skills. There are not always tied to a specific industry or job and are instead intended to help increase skills so that graduates can go straight into entry level employment or additional training. We also support programs that help individuals obtain their high school diploma or equivalent. This includes a partnership established with Detroit Public Schools Community

District in 2020 to offer Learn to Earn and other adult education to Detroit residents. We have a variety of programs in the Skilled Trades/Construction industry. For the current program year (excluding Skills for Life and customized training programs), customer enrollments based on their interests by industry breaks out as follows:

- 58% of Enrollments are in Transportation (specifically CDL-A).
- 17% of Enrollments are in Information Technology and Professional Services
- 12% of Enrollments are in Construction/Skilled Trades (34% of the Enrollments for Skilled Trades is across Electrical and Heating and Cooling)
- 12% of Enrollments are in Healthcare
- 1% of Enrollments are in Manufacturing & Mobility

7. What are the top three challenges Detroiters face that inhibit their employability?

There are numerous barriers impacting Detroiters including access to transportation and childcare. While difficult to name the top challenges, Detroit at Work supports the Detroiters with the following challenges:

Essential Skill development - We are keenly aware, that the economy continues to evolve rapidly due to dynamic and transformative changes in technology and the need and demand for education and essential skills will be required for employment. There will continue to be an increased demand for workers who possess higher levels of formal education and/or more sophisticated skills. Given that a significant number of jobseekers in Detroit do not possess a post-secondary credential and may require further training in essential skills required for the new economy, Detroit at Work recognizes there must be a significant effort made to assist job seekers in retooling and developing new skills. Our Learn to Earn program, career readiness program, and contextualized training programs are aimed at improving Detroiters skills so they are prepared for employment.

Transportation - One of the most critical barriers to economic self-sufficiency for unemployed and low- income Detroit residents is the lack of reliable transportation. As a result, Detroit at Work continues to seek ways to improve transportation services to work and training for Detroit residents. Detroit at Work's current transportation support includes the following activities: Eligible customers can receive bus tickets for return visits for One-Stop services, job interviews and job fairs, and training activities.

Through a partnership with Detroit Department of Transportation (DDOT), youth who participate in Detroit at Work's summer employment programs receive free bus tickets throughout the entire duration of their employment; Detroit at Work operates a mobile unit that travels throughout neighborhoods in the city of Detroit. Many of the workforce services available at One-Stop centers are available on the mobile unit.; Detroit at Work partners with employers to coordinate transportation access. Partnering employers provide van services to help employees travel to jobs where public transportation service is limited or unavailable. We also piloted a LYFT program.

Other Basic Needs - In connection with our work with Community Health Corp clients, we have identified a significant number of residents who have food and housing insecurities. These

customers are not prepared to enter into employment until these needs are met. DESC's service providers work closely to help resolve participants' employment barriers. In 2020, we implemented a flexible supportive services policy using a small amount of philanthropic funds. This policy allows for a range of supports not possible through public funding sources, including rent assistance and other supports while seeking training and employment.

The Detroit at Work team remains committed to identifying, preparing and supporting Detroit residents in securing the 4,950 new positions created as a result of the Fiat Chrysler Automobiles (Stellantis) expansion in Detroit. The production operator positions were made available to candidates who during two job application windows, the first in September 2019 and the second in July 2020. It is our aim to have as many Detroiters selected for these roles as possible, though the final hiring decisions rest with Stellantis. Below is a summary of the work completed to date on this project.

Outreach and Recruitment

The Detroit at Work team designed and implemented a pre-registration platform and pre-screening process to identify and prepare Stellantis candidates for the application process. Detroit at Work partnered with community organizations and other city departments to promote awareness about the opportunities. Detroit residents interested in applying for Stellantis Production Operator positions were invited to create a profile at DetroitatWork.com which included contact information, residency, basic Stellantis requirements (age, education, etc.) and demographics. More than 40,000 Detroiters have created a profile on Detroit at Work as a result of this effort. Detroiters who created a profile could sign up and attend a Stellantis Pre-Application Event.

Detroit at Work hosted two rounds of Pre-Application Events: June 17 – September 7, 2019 and January 25 – August 27, 2020. Detroit at Work hosted more than 1,100 Pre-Application Events during these two windows. Pre-Application Events were held at Detroit at Work Career Centers as well as community and faith-based partner locations. Pre-Application Events were also available through remote and virtual options.

As a result of the two rounds of outreach, more than 16,000 Detroiters were referred to Stellantis, who contacted candidates inviting them to apply during two Detroit-only application windows. The second Detroit-only application window remained open through August 31, 2020. Following August 31, candidates are still able to apply, however, they no longer have exclusive access to the application link. Detroit at Work has continued to provide outreach and support to interested candidates, including live virtual information sessions about the application process. Since the end of the second priority application window, Detroit at Work has referred more than 4,000 additional candidates to Stellantis.

Interviews for the first round of candidates began on July 13, 2020 and more than 5,500 Detroit at Work candidates have completed their interviews to date. Interviews are ongoing and are now open to candidates outside of the Detroit at Work pool. Detroit at Work continues to offer interview preparation services as well as transportation to and from on-site interviews.

Stellantis reported Detroit hires exceeding 8,600 since July 2019.

Detroit at Work continues to conduct outreach to support candidates in completing each step in the application and hiring process, including completing the application process, whether and how to accept conditional offers, opportunities with related manufacturers for candidates who did not receive conditional offers, etc. Candidates who did not receive an offer and have waited more than 6 months, are

eligible to re-apply to Stellantis. Detroit at Work continues to engage with these candidates to offer resources and practice opportunities to prepare for the re-application process.

STELLANTIS QUARTERLY REPORT OCTOBER 2022 THROUGH DECEMBER 2022

Readiness and Support Services

In addition to the pre-application events, DESC and contracted partners designed a series of services to support candidates in preparing for the Stellantis application and interview process, including:

- Intensive tutoring designed to prepare candidates for the application assessment and interview.
- Free access to reliable Internet and computers for completing the online application process.
- Interview Workshops tailored to the FCA (Stellantis) interview structure and content.
- Transportation assistance to and from interviews, drug screens and physicals.
- GED enrollment for candidates currently ineligible for the application process.
- Customer service support team available to answer candidate questions through call center, email and text.
- Intensive job readiness curriculum to help prepare candidates for starting work.
- Post-offer retention services to support candidates in maintaining employment.
- Follow up for additional job referrals and training opportunities for all candidates not offered positions with FCA (Stellantis).

Snapshot of Current FCA Hiring Pipeline

The status of Detroiters in FCA’s Production Operator pipeline as of December 2022 is summarized below:

Detroiters Referred to Stellantis by Detroit at Work	30,400+
Detroiters initiating Stellantis application process	30,600+
Detroiters invited to interview	10,000+
Interviews completed	10,000+
Conditional offers accepted	8,600+

**These figures are shown in round numbers and pending an update from Stellantis*