


David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Director, City Planning
Commission
Janese Chapman
Director, Historic Designation
Advisory Board

John Alexander
LaKisha Barclift, Esq.
Paige Blessman
M. Rory Bolger, Ph.D., FAICP
Victory Corley
Lisa DiChiera
Eric Fazzini, AICP
Willene Green
Christopher Gulock, AICP
Marcel Hurt, Esq.
Sandra Jeffers

City of Detroit
CITY COUNCIL
LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Kimani Jeffrey
Anthony W. L. Johnson
Phillip Keller, Esq.
Edward King
Kelsey Maas
Jamie Murphy
Dolores Perales
Analine Powers, Ph.D.
W. Akilah Redmond
Rebecca Savage
Sabrina Shockley
Renee Short
Floyd Stanley
Thomas Stephens, Esq.
Timarie Szwed
Theresa Thomas
Janice Tillmon
Ian Tomashik
Emberly Vick
Ashley A. Wilson

TO: Dana L. Williams, President & CEO
Detroit Employment Solutions Corporation

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: March 20, 2025

RE: 2025-2026 Budget Analysis

Attached is our budget analysis regarding your agency's budget for the 2025-2026 Fiscal Year.

Please be prepared to respond to the issues/questions raised in our analysis during your scheduled hearing on **Friday, March 21, 2025, at 11:00 a.m.** We would then appreciate a written response to the issues/questions at your earliest convenience before or after your budget hearing. Please forward a copy of your responses to the Council Members, the City Clerk's Office, and the Legislative Policy Division.

Please contact us if you have any questions regarding our budget analysis. Thank you for your cooperation in this matter.

DW:vc:sj

Attachments:
Issues and Questions

CC: Councilmembers
Auditor General's Office
Terri Weems, Group Executive-Workforce Development
Jay Rising, Chief Financial Officer
Tanya Stoudemire, Deputy CFO/Budget Director
Donnie Johnson, Deputy Budget Director
Andre Blair, Agency CFO
Doug Ortiz, Budget Analyst
Malik Washington, City Council Liaison, City of Detroit, Mayor's Office

Detroit Employment Solutions Corporation

FY 2025-2026 Budget Analysis by the Legislative Policy Division

Detroit Employment Solutions Corporation (DESC or the "Corporation") is a nonprofit corporation created in 2012 through a governance agreement entered into between the mayor of the City of Detroit, Michigan (the "City") and the City of Detroit Workforce Development Board. Under this agreement, DESC separated from the City of Detroit, Michigan to provide employment and training services to meet the needs of the business community and job seekers throughout the City of Detroit, Michigan.

The Corporation is a component unit of the City of Detroit, Michigan and reports under the governmental reporting model because a local government (mayor of the City of Detroit, Michigan) appoints the members of the board of directors. The Corporation is supported primarily through federal and state government grants. A majority of the funding is federal pass-through funds received from the Michigan Workforce Development Agency. The Corporation also receives private grants.¹

DESC is also the lead agency for ‘Detroit at Work’, which provides job placement, search, training, career advisement and other supportive services to tens of thousands of Detroiters every year.²

Created in February 2017 to provide one entry point into the workforce system for jobseekers and employers alike, Detroit at Work provides information on in-demand career pathways and training programs that are aligned to jobs in growing career sectors in healthcare, information technology, manufacturing, construction and transportation, energy and utilities, and small business. The system-wide capacity required to understand and address the needs of Detroit jobseekers and Detroit’s employer community requires a new and continuously improving strategy for service delivery. That is Detroit at Work, where Detroit’s jobseekers, employers, and opportunity connect.³

In 2021, Detroit at Work expanded its career center system to nine centers that cover each of Detroit’s City Council districts. These career centers are managed by community organizations with deep roots in the neighborhoods surrounding the centers. With this expansion, no Detroiter is more than 3 miles away from accessing the career support they are looking for.⁴

Issues and Questions:

1. Please briefly explain DESC’s new expenditure initiatives, new capital funding requests, operational reform and savings proposals, and new revenue initiative(s)/proposal(s) to be implemented in FY 2026.
2. Please provide the DESC’s budgeted level of employees for FY 2025 and FY 2026. Please provide the level of vacancies as of March 17, 2025. Please explain the difficulty of filling vacant positions.
3. Please provide the DESC’s FY 2025 Operating and Capital Budgets. Please also provide the FY 2026 Operating and Capital Budgets, if available.

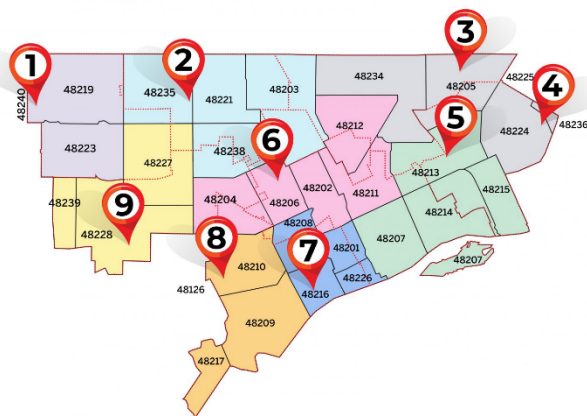
¹DESC 2024 Audited Financial Statements. Available upon request.

² <https://descmiworks.org/about-us/>

³ <https://workforcedetroit.com/key-initiatives/detroit-at-work/>

⁴ Ibid

4. As can be seen in the attachment, through the Housing & Revitalization Department (HRD), the Mayor is recommending \$2,665,000 in general fund dollars for Appropriation 27361-Workforce Development Programs in FY 2026. Questions:
- In HRD's Cost Center 365007 – Economic Development Summer Jobs Program, the Mayor is recommending \$2 million for this program in FY 2026, the same as for FY 2025. Although the DESC does not directly receive any of these dollars, please explain DESC's involvement in administering these funds.
 - In HRD's Cost Center 365012 – Detroit Employment Services Corp, the Mayor is recommending \$665,000 for this program in FY 2026, the same as for FY 2025. Although the DESC does not directly receive any of these dollars, please explain why to the program is entitled "Detroit Employment Services Corp", and DESC's involvement in administering these funds.
5. As noted above, in 2021 Detroit at Work expanded its career center system to nine centers that cover each of Detroit's City Council districts. These career centers are managed by community organizations with deep roots in the neighborhoods surrounding the centers. With this expansion, no Detroiter is more than 3 miles away from accessing the career support they are looking for. Has this been successful?



1.	24424 W. McNichols, Detroit, MI 48219
2.	18100 Meyers, Detroit, MI 48235 (Northwest Activities Center)
3.	14117 E. Seven Mile, Detroit, MI 48205
4.	18017 E. Warren, Detroit, MI 48224
5.	5901 Connor, Detroit, MI 48213 (WCCCD)
6.	2470 Collingwood, Detroit, MI 48206 (Durfee Innovation Center)
7.	2835 Bagley, Detroit, MI 48216 (Michigan Welcome Center)
8.	9301 Michigan Avenue, Detroit, MI 48210
9.	16427 W. Warren, Detroit, MI 48228

6. Detroit at Work has more than 50 training programs⁵ available to Detroit jobseekers that help them develop technical and essential skills towards careers in the MWDB's priority industries:
- Construction & Skilled Trades
 - Healthcare
 - Information Technology
 - Manufacturing
 - Transportation

Currently, there is a shortage of Detroiters in the construction trades.⁶ How has this program impacted curtaining this shortage? On an annual basis, how many Detroiters complete these technical skills training programs? Given this level of training available, why are there still

⁵ <https://detroitatwork.com/training>

⁶ It is commonly considered that most major developments in the city that receives City of Detroit tax incentives to develop that are 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 trade industries.

shortages? Is there a lack of individuals enrolled in these training courses, or is there not enough training to keep track with the need for available Detroiters?

7. In the Fall of 2017, Randolph Career and Technical Center was re-launched to provide industry standard training in high-wage, high-need building and construction trades for youth and adults. Breithaupt Career and Technical Center followed in Summer 2019 to link career pathways in automotive, manufacturing, hospitality, customer service, and welding.⁷

Program enhancements include:

- Enhanced high school CTE courses
- Adult training programs in the evening, on weekends and during the summer
- Building and classroom improvements
- Learning lab for contextualized basic skills
- New employer and union partnerships for mentors, training, classroom sponsorships and career exposure
- Wrap-around and support services
- Apprenticeship and community college partnerships

Have the program enhancements listed above led to improved outcomes? If so, how much so?

8. 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?

9. Detroit at Work has the **Skills for Life**⁸ 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.

⁷ Career & Technical Education-Detroit Mayor's Workforce Development Board (workforcedetroit.com)

⁸ <https://detroitatwork.com/skillsforlife>

- We will help you with a transportation and childcare plan and provide career coaching and other support 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 in Detroit is funded by up to \$75 million in American Rescue Plan Act (ARPA) dollars approved by City Council. What is the projected timeline of when the ARPA will be fully used up for this program? Is the DESC working with the City to find alternative funding sources to keep this important program alive once the ARPA money is gone?

10. What are the top three challenges Detroiters face that inhibit their employability?
11. In reviewing the General Fund Budgetary Comparison Schedule in the 2024 Audited Financial Statements, it appears there was an 8.82% decrease of \$8,054,318 in Actual Revenues received \$83,264,244 than budgeted \$91,318,562. Please explain the cause of the variance. Have other Revenue sources been identified to compensate for this variance moving forward?
12. Given the current uncertainty at the federal level, does DESC still feel confident that it will receive the level of federal and state similarly to what it has received in the past few years?
13. In reviewing the General Fund Budget Comparison Schedule in the 2024 Audited Financial Statements, how did the DESC achieve a \$9.85 million surplus in Salaries?
14. In reviewing the General Fund Budget Comparison Schedule in the 2024 Audited Financial Statements, it appears the Internet and Technology Expenditures increased 169.88% totaling \$977,066 and Professional Fees increased 77.69% totaling \$2,695,601. Can you please explain where these increases may have come from? Also, please explain the \$1.54 million surplus in subcontractor expenses.
15. In reviewing the 2024 Audited Financial Statements, it appears that American Rescue Plan Act (ARPA) funds were utilized to fund pilot and expanded Programs such as the Work Scholarship Program, Learn to Earn program, and Jumpstart program. Has DESC identified other funding sources for these programs if ARPA funds are no longer available?
16. In December 2024, Michigan Central partnered with DESC / Detroit at Work and the State of Michigan's Department of Labor and Economic Opportunity (LEO) launched the Michigan Central Talent Innovation Training Fund to provide over \$1.5 million of training investment into early-stage technology and mobility-focused companies in Detroit by providing resources to acquire talent, grow operations, and create economic opportunity for Detroit Residents.⁹ Please provide the most current status on the program. What are the outcomes / results so far?

⁹ <https://michigancentral.com/michigan-central-detroit-at-work-and-the-state-of-michigan-launch-michigan-central-talent-innovation-training-fund/>

**CITY OF DETROIT
BUDGET DEVELOPMENT
FINANCIAL DETAIL BY DEPARTMENT, FUND, APPROPRIATION, & COST CENTER - EXPENDITURES
DEPARTMENT 36 - HOUSING & REVITALIZATION DEPARTMENT**

Department # - Department Name Fund # - Fund Name Appropriation # - Appropriation Name Cost Center # - Cost Center Name	FY2025 Adopted	FY2026 Mayor Proposed	FY2027 Forecast	FY2028 Forecast	FY2029 Forecast
27361 - Workforce Development Programs	2,665,000	2,665,000	2,691,650	2,718,567	2,745,753
365007 - Economic Development Summer Jobs Program	2,000,000	2,000,000	2,020,000	2,040,200	2,060,602
365012 - Detroit Employment Services Corp	665,000	665,000	671,650	678,367	685,151
27362 - Workforce Development Support	150,000	-	-	-	-
365012 - Detroit Employment Services Corp	150,000	-	-	-	-
29360 - Housing & Revitalization Dept Administration	3,689,813	3,605,863	3,656,093	3,707,132	3,758,983
360054 - Administration Indirect Costs	1,273,821	1,413,276	1,439,884	1,467,024	1,494,704
365702 - Administration (Indirect) - Records/Audit & Admin Su	159,992	190,987	194,593	198,273	202,025
365709 - HRD Indirect Cost	2,256,000	2,001,600	2,021,616	2,041,835	2,062,254
2001 - Block Grant	32,329,207	31,940,230	31,940,230	31,940,230	31,940,230
04139 - HRD Detroit Area Pre-College Engineering Program NOF	67,992	-	-	-	-
360238 - DAPCEP	67,992	-	-	-	-
04178 - HRD World Medical Relief	57,992	-	-	-	-
360263 - World Medical Relief	57,992	-	-	-	-
04898 - HRD Ser Metro	62,992	-	-	-	-
360427 - Ser Metro	62,992	-	-	-	-
05149 - HRD St Patrick Senior Center	67,992	-	-	-	-
360454 - St Patrick Senior Center	67,992	-	-	-	-
05178 - HRD Wellspring	67,992	-	-	-	-
360469 - Wellspring	67,992	-	-	-	-
05544 - HRD SWDBA	47,992	-	-	-	-
360558 - SWDBA	47,992	-	-	-	-
05662 - HRD LASED	67,992	-	-	-	-
360574 - LASED	67,992	-	-	-	-
05797 - HRD Eight Mile Boulevard BG	25,000	25,000	25,250	25,503	25,758
360600 - Eight Mile Boulevard BG	25,000	25,000	25,250	25,503	25,758
05897 - HRD Mosaic Youth Theatre	67,992	-	-	-	-