

**GROWING  
MICHIGAN  
TOGETHER**

# **Growing Michigan Together Council Report**

**December 14, 2023**



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# Council Members

## Voting Members

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**Shirley Stancato (Chair)**, Wayne State University

**Linda Apsey**, ITC Holdings

**Sandy Baruah**, Detroit Chamber

**Brian Calley**, Small Business Association of Michigan

**Sen. Darrin Camilleri**, Michigan Senate

**JoAnn Chavez**, DTE Energy

**Robert Coppersmith**, Michigan Infrastructure and Transportation Association

**Susan Corbin**, Michigan Department of Labor and Economic Opportunity

**Jeffrey Donofrio**, Business Leaders for Michigan

**Rep. Alabas Farhat**, Michigan House of Representatives

**Maha Freij**, Arab Community Center for Economic and Social Services

**Patrick "Shorty" Gleason**, Michigan Building and Construction Trades Council (former President)

**Anika Goss**, Detroit Future City

**Ollie Howie**, New Community Transformation Fund Grand Rapids

**Dr. Santa Ono**, University of Michigan

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**Jennifer Root**, SEIU Michigan

**Dr. Nikolai Vitti**, Detroit Public Schools

**Rep. Pauline Wendzel**, Michigan House of Representatives

## Nonvoting, Ex Officio Members

**Jaclyn Butler**, Michigan Center for Data and Analytics

**Rachael Eubanks**, Michigan Department of Treasury

**Ronald Fisher**, Michigan State University

**Jen Flood**, State Budget Office

**Quentin L. Messer, Jr.**, Michigan Economic Development Corporation

**Poppy Sias-Hernandez**, Office of Global Michigan

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## External Support Staff

Public Sector Consultants provided primary external staffing support, with additional support provided by Boston Consulting Group, Citizens Research Council of Michigan, and the National Center for Education and the Economy.

Dear Governor Whitmer,

It has been an honor to help lead this effort as chairs of the Growing Michigan Together Council.

Michigan's population struggles are not new. Decades of apathy, structural deficiencies, and the lack of political cohesion have brought us to this point. After six months of investigation, study, and debate, it's clear that population decline and its contributing factors are a significant threat to our state's future prosperity and well-being. We find ourselves in an unfolding crisis and must act now. Michigan has fallen to 49th in population growth. We are lagging in median income, educational outcomes, and attainment and have fallen behind faster-growing peer states in key measures of infrastructure, community well-being, and job opportunities. We are losing more young residents than we're attracting, and our population is aging faster than those of our neighbors.

Michigan isn't the only state in the fight against these challenges, but we are the first to address them head on. One hundred diverse volunteers, from Downriver to the Upper Peninsula, have fulfilled our council responsibility with a collective sense of service, bipartisanship, optimism, urgency, and a message of change.

We have reached two milestones on the road to recovery—an in-depth analysis of the challenges we face and a set of actionable recommendations to regain our competitiveness. A third milestone still lies ahead of us—ensuring momentum through constructive debate and shared commitment—which will be a critical determinant of success. The milestones and recommendations should be seen as an intertwined system to drive healthy growth—all needed to achieve long-term impact.

This report is just the beginning of a long, arduous process. Achieving success demands collaboration across all sectors—public, private, and philanthropic. It will take every single citizen to acknowledge that the problems are structural and systemic and that they need to be addressed now. Problems allowed to develop over decades will not be solved in six months or the next year; however, we submit these recommendations—rooted in Michigan's historic strengths and work ethic—as a powerful step forward in putting Michigan on a path toward more prosperity for all its citizens.

We want to thank you, Chief Growth Officer Hilary Doe, and the entire council and workgroups who have assisted us in our work. Now, we call on our legislators, government officials, and one another: take the weight of this report into consideration and take immediate action. Doing nothing is not an option.

It's time to change the trajectory of Michigan's population growth and its economic future.

Respectfully submitted,

Shirley Stancato  
Amb. John Rakolta, Jr. (ret.)

Chairs  
Growing Michigan Together Council



## Executive Summary

Throughout most of the 20th century, groundbreaking innovation in the automotive industry and industrial manufacturing helped build the middle class, create vibrant cities, and provide opportunities for homeownership, a great education, and economic prosperity. Michigan was a place where people from all over the country—and world—wanted to live. But over the last 40 years, we have fallen behind in an ever-changing, globally competitive economy.

**Michigan’s greatest strength is its people—and we are losing them. Today Michigan is 49th out of 50 in terms of population growth. We’re failing to prepare our people for the jobs of the future and failing to ensure Michigan is the place current and future Michiganders want to call home.**

We’re losing too many of our talented young people and failing to attract others. And when they leave, our communities suffer from lost tax base and wages needed to support our public amenities, schools, roads, transit, and housing and to attract business to our state. The cycle of healthy growth is broken.

No one person or party is to blame—we are all responsible for the apathy that allowed our outcomes to slip so far, and the lack of cohesion and shared commitment necessary to build a better Michigan. In the face of our challenges, we have been quick to retreat to

our corners (both geographical and political), ignore the deep problems, and fail to advance solutions that will return Michigan to a place of prominence and growth.

It was in response to this crisis that Gov. Gretchen Whitmer announced the creation of the Growing Michigan Together Council earlier this year. The council was charged with setting aside our differences, appointing workgroups of experts and practitioners, engaging the public, and developing recommendations that support Michigan’s population growth through investment in our people, places, and education system. With each meeting, our alignment on a shared vision for Michigan grew stronger and our belief in our work deepened. We specifically chose to dive into the center of Michigan’s challenges in population growth to put forward a new framework for a prosperous state. The government cannot bring this vision into reality on its own, so our vision must engage public, private, and philanthropic institutions that all have a role to play in building a better Michigan. We must commit to this vision and work collaboratively and inclusively to transcend the partisan differences that have contributed to our lack of cohesion, sapped our ability to respond dynamically to problems, and limited our potential.

Today, we are united in this shared vision and deeply committed to seeing this work come to fruition.

**The council set a goal that by 2050, Michigan will be a top-ten state for population growth.**

Our state will be a welcoming, cohesive, affordable, equitable, and attractive place for growing families who have been here for generations, as well as those from around the country and world. Michigan will be home to a world-class, lifelong education system that inspires and supports every child on their journey to reach their potential and achieve their dreams anywhere, but more young people will want to stay in Michigan as they enter the workforce. As a leader in growing industries, Michigan will prepare, attract, support, and retain the best workers, entrepreneurs, and companies that thrive in a globally competitive economy and power prosperity for all. Our sustainably built transportation networks, as well as water and other infrastructure, will serve as the foundation for thriving communities and a vibrant economy.

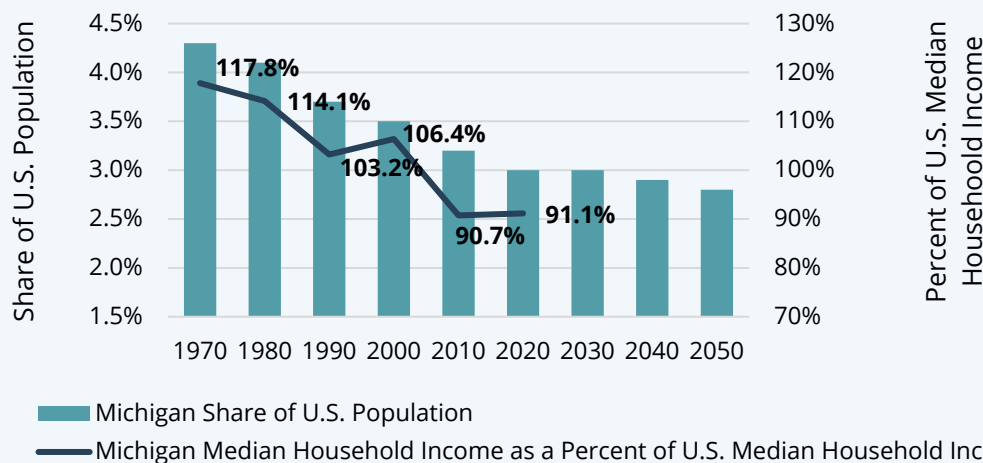
Michigan’s rich natural beauty and resources will be protected, enhanced, and continue to be a central part of why people want to live, work, and play here.

**While Michigan has many assets—world-class higher-education universities, rich natural resources, a dominant engineering workforce, and relatively low cost of living—we face many challenges that we must reverse to thrive in a 21st-century economy.**

Michigan now ranks 49th out of 50 states in growth since 2020 and our population is aging. By 2050, the U.S. population will likely have grown by more than 20 million people, but Michigan’s population is projected to fall (Guidehouse 2023).

As our population has declined, so has our shared and individual prosperity. While Michigan’s median income was once 114 percent of the national average, today we rank 34th in median income among U.S. states.

**Michigan’s Declining Share of the US Population and Median Household Income**

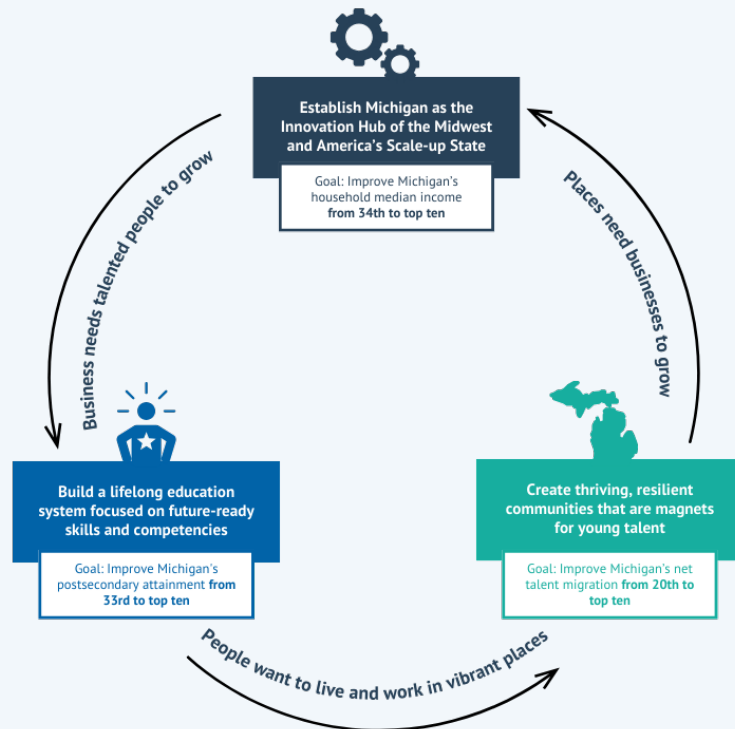


Our education system is leaving the next generation of Michiganders behind. Currently, fewer than 33 percent of Michigan students are proficient in reading or math in the fourth and eighth grade, and grade-four reading proficiency for Black students in Michigan is at only 10 percent, lower than in any growing peer state (National Center for Education Statistics n.d.c; National Center for Education Statistics n.d.e). Only 30 percent of Michigan adults over 25 have a bachelor’s degree or higher, and these degrees will only grow in importance as global and local economies continue to shift toward the knowledge economy of the future (Boston Consulting Group July 2023).

Alongside challenges with our education system, Michigan’s infrastructure isn’t keeping up with our needs. Despite recent

improvements and significant one-time investments, our infrastructure is crumbling and facing growing threats from a changing climate. Michigan’s highway system ranks among the worst in the nation and communities struggle with aging water infrastructure and flooding (ASCE 2023). And while Michigan enjoys a relatively low cost of living compared to other states, we lack the vibrant amenities and housing to attract and retain young talent to our cities.

To address these challenges stymying Michigan’s growth, **the council has focused on transformational strategies** to redefine how we grow businesses that provide high-wage jobs, educate our kids so they can succeed and innovate in our changing economy, and create thriving, inclusive places that are magnets for talent.



These strategies are interwoven and mutually reinforcing to create a Michigan poised for shared prosperity and growth. They include:

## 01. Establish Michigan as the Innovation Hub of the Midwest and America's Scale-up State

- Develop an economic growth plan that establishes Michigan as the Innovation Hub of the Midwest and America's scale-up state
- Target efforts to attract and retain young talent

## 02. Build a lifelong learning system focused on future-ready skills and competencies

- Commit to the Michigan Education Guarantee that all students will develop future-ready skills and competencies to thrive in work and life and guarantee up to an additional year of schooling to ensure that all students achieve this standard
- Reimagine the job of teaching and the structure of the school day, enabling educators to innovate so students can learn for life
- Make postsecondary education attainment more accessible and affordable by providing all students with access to up to two years of free postsecondary education and creating a seamless lifelong learning system
- Align governance and accountability across an equitably and efficiently funded lifelong learning system while clarifying roles, eliminating inefficiencies, and bolstering capacity

## 03. Create thriving, resilient communities that are magnets for young talent

- Develop robust and reliable regional public transit systems across the state
- Develop and revitalize housing stock to meet Michigan's housing demands
- Future proof our infrastructure to ensure Michigan has reliable and resilient infrastructure that serves as an asset to the economy



The council's recommendations stand on their own, but a problem as significant as changing the momentum of 50 years of declining outcomes for Michiganders cannot be fixed by simply recommending a reformed education system, a future-focused economic growth plan, or better places to live. Long-term change must address the structural and fiscal challenges that make it difficult to address these problems in Michigan. An analysis of the underlying policies, systems, processes, laws, and institutions that have been longtime barriers to the successful transformation of our state is needed to make the underlying structural changes necessary. Once the structural changes have been identified, we recognize that there must also be a full understanding of the financial impact of each recommendation and, as such, we have proposed a process to estimate costs, evaluate the return on investment, and identify appropriate funding mechanisms for each recommendation. Finally, the extensive public engagement work undertaken by the council, lifting the voices of over 10,000 Michiganders, must continue to ensure that all people who call this state home can participate in the implementation of these reforms and equitably benefit from the impact of our recommended strategies.

As Michiganders, we can rise to meet our challenges. We are excited by the idea that if the 27 council members—all at very different life stages with diverse life experiences, belief systems, and political ideologies—could align on strategies to set Michigan up for a better future, it is possible for policymakers to do the same. We believe that implementation of our report means the worst of Michigan's days are behind us and that we will step into a more prosperous future for all Michiganders. We trust that our work will result in people choosing Michigan to build their lives and raise their families. We call on the governor and legislature and the people of Michigan to take action. The stakes have never been higher.



# Introduction

On June 1, 2023, Gov. Gretchen Whitmer announced the creation of the Growing Michigan Together Council (GMTC), charging the group with developing recommendations that support Michigan’s population growth through investment in our people, places, and education system. Council members represent a broad range of stakeholders strongly invested in Michigan’s future.

## Council Charge

Acting in an advisory role to the governor and the director of the Department of Labor and Economic Opportunity, the GMTC was asked to:

1. Identify concrete, data-driven, and evidence-based goals to grow the state’s population, including those to improve educational outcomes from preschool through postsecondary education, attract and retain talent, and build long-term, sustainable infrastructure that meets the needs of the population.
2. Define the gap between Michigan and the best performing, comparable states on GMTC-identified goals.
3. Leverage the GMTC workgroups to identify specific short-term, medium-term, and long-term policies needed to close these gaps and meet the goals identified by the council.
4. Analyze the effectiveness of existing programs and spending dedicated to achieving GMTC-identified goals and make recommendations on how to address any gaps between projected revenues and recommended expenditures.

## Process

Over the past five months, the GMTC met to review expert presentations, debate ideas, and reflect on data gathered from surveys, field hearings, townhalls, and other public engagement opportunities to ultimately craft a set of bold recommendations to grow Michigan’s population. The council worked closely with more than 60 individuals from four topic-oriented workgroups—PreK-12 Education; Higher Education; Jobs, Talent, and People; and Infrastructure and Places—who produced an initial set of recommendations for the council’s consideration. Their early recommendations provided a valuable starting point for the final set presented in this report.

The strategies and recommendations included in this report also reflect the wide range of perspectives represented on the council, the data and information gleaned through research and presentations, and more than 10,000 voices of Michiganders who participated in the public engagement events, took a survey, or sent in ideas. The work’s ambitious timeline limited the council’s ability to complete a full cost and revenue source assessment that is critical for prioritizing and implementing these ideas; however, this report provides the legislature and governor with suggestions for next steps for continuing the momentum and implementation of the GMTC’s efforts.





## Our Vision

**By 2050, Michigan will be a top-ten state for population growth.** Our state will be a welcoming, cohesive, affordable, equitable, and attractive place for growing families who have been here for generations, as well as those from around the country and world. Michigan will be home to a world-class lifelong education system that inspires and supports every child on their journey to reach their potential and achieve their dreams anywhere, but more young people will want to stay in Michigan as they enter the workforce. As a leader in growing industries, Michigan will prepare, attract, support, and retain the best workers, entrepreneurs, and companies that thrive in a globally competitive economy and power prosperity for all. Our sustainably built transportation networks, as well as water and other infrastructure, will serve as the foundation for thriving communities and a vibrant economy. Michigan's rich natural beauty and resources will be protected, enhanced, and continue to be a central part of why people want to live, work, and play in Michigan.

Our vision goes beyond establishing strategies to grow our population. It also includes **a call to action for Michiganders to come together** with a shared understanding

of what got us to this point and a shared commitment to courageously take steps to build a prosperous future for our great state. Changing our current trajectory requires us to stop retreating to our corners (both geographic and political); put aside self-interests to coalesce around a shared vision to solve big, generational problems; and act. We are excited by the idea that if the 27 council members—all at very different life stages with diverse life experiences, belief systems, and political ideologies—could align on strategies to set Michigan up for a better future, it is possible for policymakers to do the same.

We specifically chose to dive into the center of Michigan's challenges in population growth to put forward a new framework for a prosperous state. The government cannot bring this vision into reality on its own, so our vision must engage public, private, and philanthropic institutions that all have a role to play in building a better Michigan. We must commit to this vision and work collaboratively and inclusively to transcend the partisan differences that have contributed to our lack of cohesion, sapped our ability to respond dynamically to problems, and limited our potential.

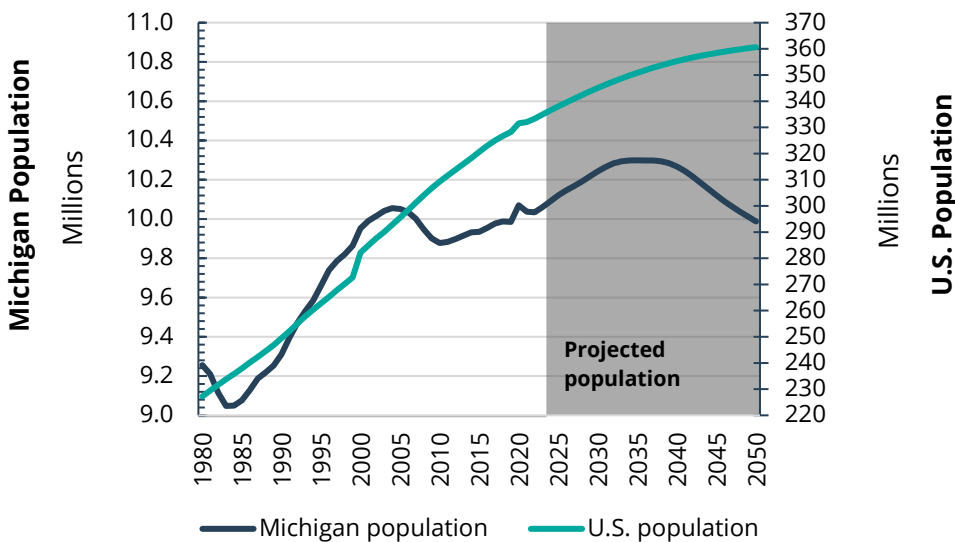


# How We Got Here: Unmasking Challenges

## Michigan Isn't Growing and It Threatens Our Future

**Michigan's greatest strength is its people—and we're losing them.** Throughout most of the 20th century, groundbreaking innovation in the automotive industry and industrial manufacturing created the conditions for historic economic and population growth. During this time, pathways to a great education and high-paying jobs made Michigan a place where people from all over the country—and world—wanted to live. This growth supported the creation of vibrant cities and provided opportunities for homeownership, great education, and economic mobility. **But since 1980, Michigan has grown just 8.8 percent, compared to 46.3 percent in the U.S.,** losing more residents domestically than we attract each year (U.S. Census Bureau 1980; U.S. Census Bureau 2021).

**Michigan and U.S. Historical and Projected Population Growth, 1980–2050**



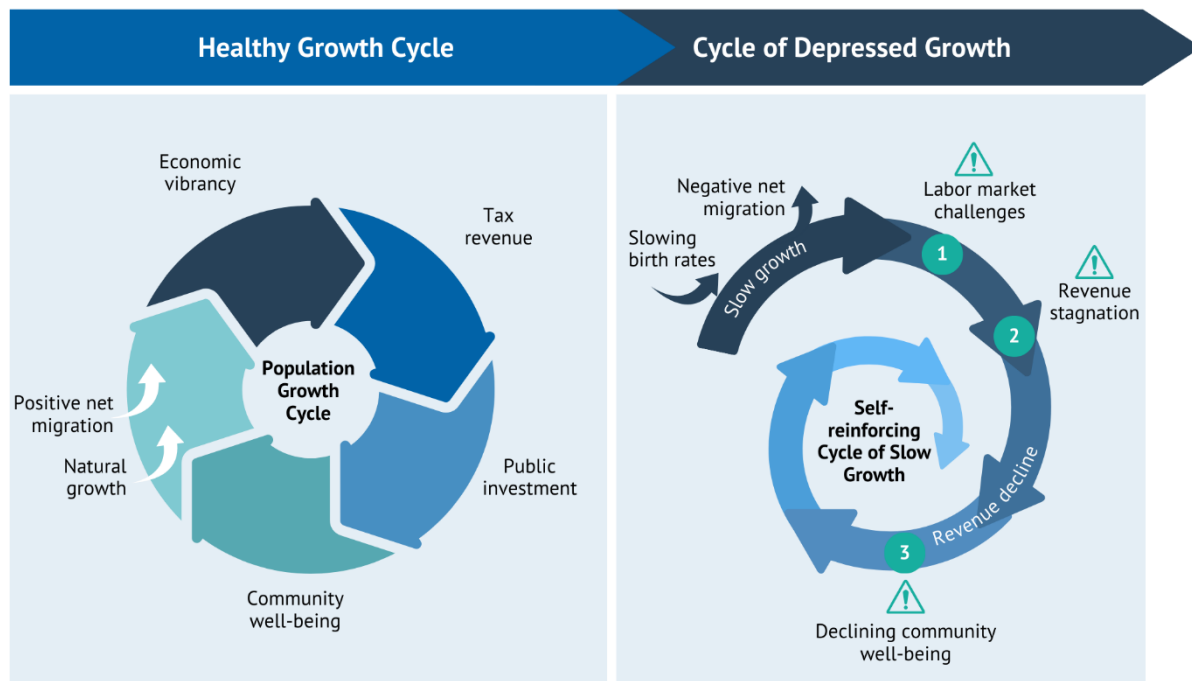
Source: U.S. Census Bureau 1980; U.S. Census Bureau 2021

In fact, Michigan has fewer residents who were born in other states than anywhere except Louisiana (U.S. Census Bureau n.d.e). Compounding this problem, too few young people are staying in or moving to the state—**from 1980 to 2020, Michigan’s 19 and under and 20- to 34-year-old populations decreased 22 and 18 percent, respectively. During this same period, the 65+ population in Michigan grew by 98 percent** (U.S. Census Bureau n.d.a; U.S. Census Bureau n.d.b.). In short, we’re aging faster than our neighboring states, leading to projected labor market declines and increased pressure on public services, including the public health system. Without action, this trend will continue.

**In the face of population stagnation, Michigan communities are losing out.** We're losing out on the innovative ideas that

drive our economy; the wages and tax base that support the public amenities, schools, and quality of life in communities across our state; and the talent of current and future Michiganders that we fail to retain or attract. Economic growth in any state requires a strong customer base and a talented workforce. With less buying power and a shrinking talent pool, Michigan will be less competitive to businesses choosing where to locate.

**A declining population also diminishes our state’s political representation in Congress,** falling from 19 U.S. House representatives in 1970 to only 13 in 2020 (Citizens Research Council of Michigan 2023b). As Michigan’s political power declines, our priorities are less likely to be considered in federal budget and policy deliberations that directly affect our communities.



Source: Guidehouse 2023

**The healthy growth cycle in Michigan is broken.** If we do nothing, we'll continue to face labor market challenges, revenue stagnation, declining community well-being, and a self-reinforcing cycle of slow growth. **We must take action to reverse this trend and build a brighter future for all Michiganders.** We must address the challenges facing our communities and produce thoughtful, data-informed tactics to ensure recent graduates and young families choose to build their lives, create new businesses, and start their families right here in Michigan. And critically, we must commit to investing in focused efforts to reduce disparities felt by historically underserved communities of color, to ensure Michigan's growth and prosperity are equitably accessible to all.

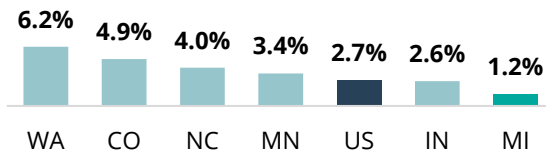
## Michiganders Are Falling Behind

### Peer State Comparisons

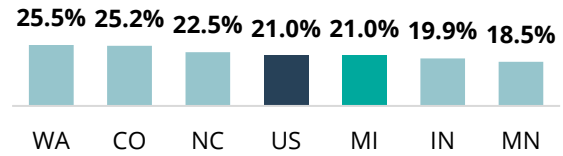
Despite our incredible people, natural advantages, industrial might, and relatively low taxes—Michigan ranks 46 out of 50 in combined state and local tax burden as a percentage of personal income (Citizens Research Council of Michigan May 2023b). On too many measures, Michigan has fallen behind the rest of the nation. **Our students are less prepared, our median incomes are lagging, we're struggling to maintain our infrastructure, and our state is 49th out of 50 in population growth since 2000 (Citizens Research Council of Michigan 2023c).**

**We must do something different.** A recent independent report commissioned by the Growing Michigan Together Council evaluated Michigan's competitiveness relative to higher-growth peer states (Colorado, Illinois, Minnesota, North Carolina, and Washington). Compared to those peers, four of the five had higher bachelor's degree attainment than Michigan, four out of five saw either higher or faster-growing median incomes, and nearly all ranked higher than Michigan on many measures of infrastructure and community well-being (Guidehouse 2023). These factors impact a state's ability to retain and attract young people and families, as was demonstrated further in our in-state survey and national poll. To build long-term, shared prosperity for Michiganders, **we must address these outcomes. Until we do, Michigan risks no longer being competitive in the fight for our future.**

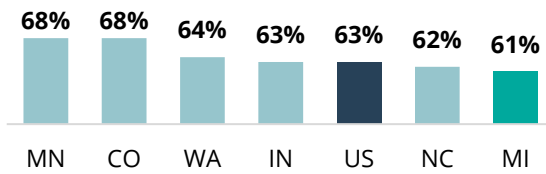
### Population Growth (2016–21)



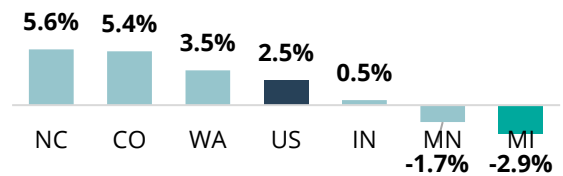
### Median Income Growth (2016–21)



### Labor Force Participation (2021)



### Non-farm Employment Growth (2016–21)

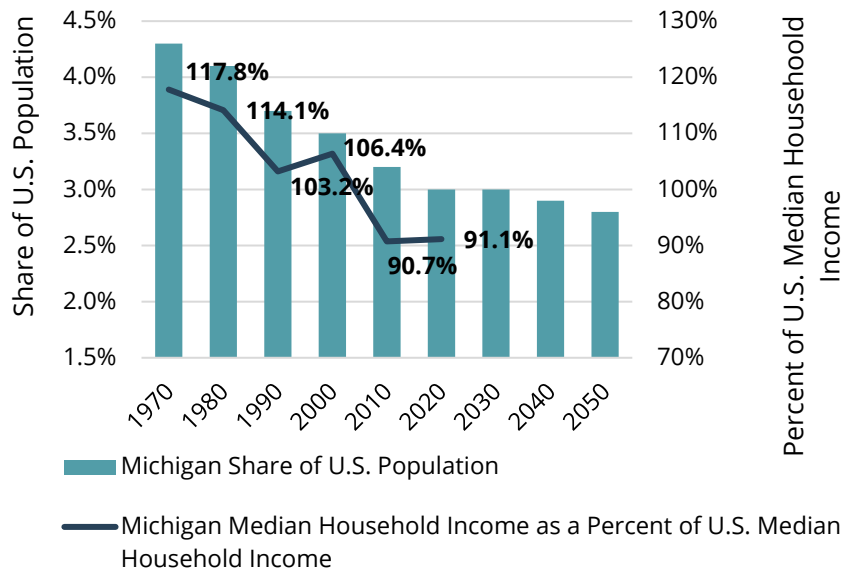


Source: Guidehouse 2023

## Median Income and Michigan’s Economic Health

For nearly 100 years, Michigan’s population boomed along with the nation. People from across the country moved to the state for quality jobs and shared prosperity. **In 1980, of the ten U.S. communities with the highest average earnings, five were in Michigan (IPUMS n.d.).** Today, no Michigan city finds itself on that list.

### Michigan’s Declining Share of the US Population and Median Household Income





Michigan's lower-than-average wages are driven in part by major shifts in manufacturing and job growth in lower-paying sectors. Over the last few decades, Michigan has experienced lasting job loss that has been more severe than in the Midwest and the U.S. overall, with employment rates remaining below January 2000 levels (House Fiscal Agency 2023; U.S. Bureau of Labor Statistics July 2023). While Michigan's middle-class was powered by manufacturing jobs and the auto industry for generations, today, manufacturing jobs constitute only 16 percent of employment in Michigan, down from 25 percent in 1990. During that time, manufacturing wage growth also grew less quickly than wage growth for other private-sector employees (Citizens Research Council of Michigan May 2023a). In its place, two sectors drove much of Michigan's job growth—professional and business services (growing from 12 percent to 17 percent of Michigan jobs from 1990 to 2021) and the lower-wage health and social assistance sector (up from 11 percent in 1990 to 16 percent in 2021) (Citizens Research Council of Michigan May 2023a). Partly because of this transition to lower-wage health and social assistance sector jobs, **today, six in ten jobs in Michigan pay less than low-middle-class wages (Michigan Future Inc. n.d.).**

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<sup>1</sup> The knowledge economy, or knowledge-based economy, is an economic system in which the production of goods and services is based principally on knowledge-intensive activities that contribute to advancement in technical and scientific innovation. The key component of a knowledge economy is a greater reliance on intellectual capabilities than on physical inputs or natural resources (Powell and Snellman 2004).

While Michigan continues to rank as a top-ten state for patent creation and a leader in engineering talent, states with higher median incomes tend to have higher in-migration, having more successfully transitioned to the knowledge economy in their state.<sup>1</sup> However, today's rapidly evolving technology stands to dramatically alter the jobs of the future and the skills required to fill them. To build more shared prosperity, Michigan must prepare, not just to catch up to other states, but to thrive in this new economic era. The stakes could not be higher.

## Educational Outcomes and Attainment

To succeed in the future economy, Michigan must have a competitive education system equipping students with the skills they need to be successful. Despite attainment gains in recent years, Michigan is lagging behind.

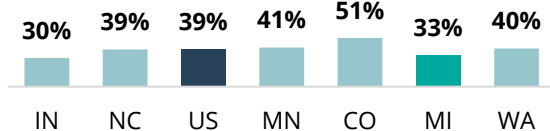
**Currently, fewer than 33 percent of Michigan students are proficient in reading or math in the fourth and eighth grade, and grade-four reading proficiency for Black students in MI is lower than in any peer state, at only 10 percent (National Center for Education Statistics n.d.c; Guidehouse 2023).**

Only 30 percent of Michigan adults over 25 years old have a bachelor’s degree or higher (Boston Consulting Group July 2023). And while Michigan is successful at recruiting out-of-state college students, we are a net-exporter of college-educated talent, especially Black college graduates. Michigan ranks 34th and 33rd in the nation, respectively, for associate’s and bachelor’s degree attainment, and 49th for two-year completion rates (Boston Consulting Group July 2023). **Fewer Black adults aged 25 or older in Michigan hold a bachelor’s degree (19 percent) than Black adults in any growing peer state or in the U.S. overall (25 percent)** (Guidehouse 2023). To build a future with shared prosperity, we must develop the talent needed to drive our economy and dramatically improve these outcomes.

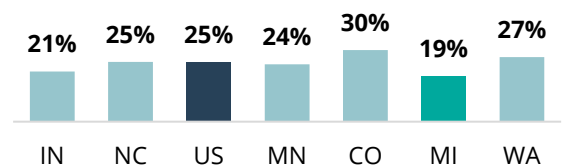
Overall, Michigan’s state and local inflation-adjusted education spending is nearly \$5 billion below levels from 15 years ago, falling from eighth in the nation to 31st as of 2021 (Guidehouse 2023).

### Adults Age 25+ with a Bachelor’s Degree or Higher by Race and Ethnicity

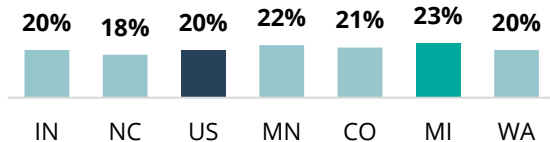
#### White



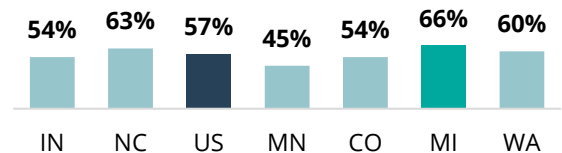
#### Black



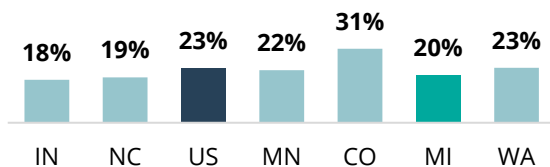
#### Hispanic



#### Asian



#### American Indian or Alaska Native

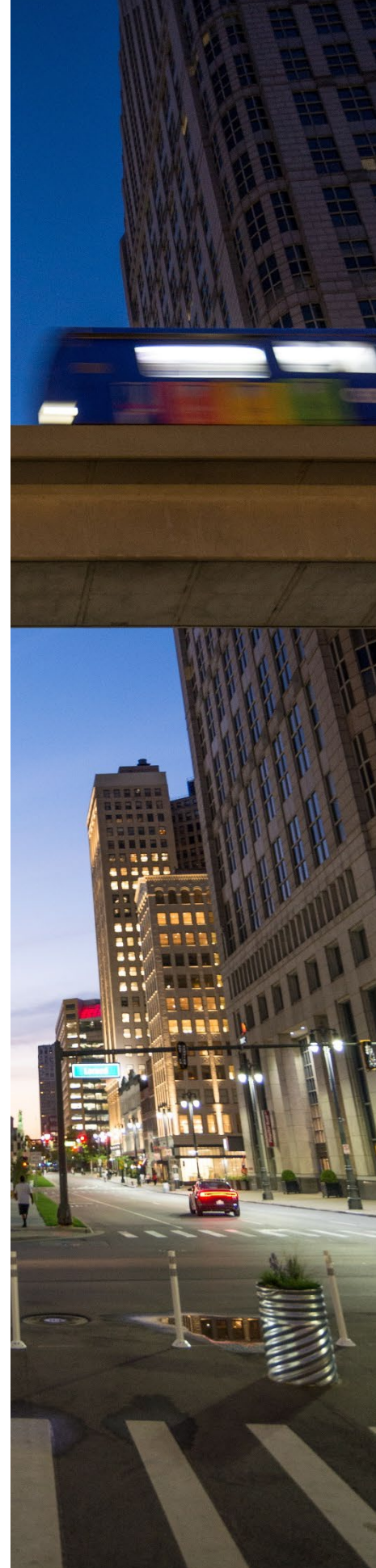


Source: Guidehouse 2023

## Infrastructure and Community Investment

**A high quality of life depends on high-quality infrastructure. Michigan has unparalleled access to fresh water and natural beauty, but ensuring businesses and residents feel confident investing in a future in our state requires safe roads, accessible transit, and water systems that deliver clean water and flood protection.**

Since 2000, Michigan has spent substantially less than other states on capital investment in infrastructure. **The portion of Michigan's National Highway System miles in poor condition ranks among the worst in the nation**—47th according to a report by Citizen's Research Council. While recent investments have improved Michigan's overall infrastructure rating, Michigan still earns only a C—according to the American Society of Civil Engineers (ASCE) annual report card, and these improvements were propped up by temporary funding. Exacerbating the challenge, construction cost inflation has reduced buying power by at least 35 percent compared to 2020 (HNTB 2023). **Relative to peer states, Michigan still ranked last in the percentage of bridges in poor condition and fifth out of six in the percentage of rent-burdened citizens (Guidehouse 2023).** Without action, infrastructure outcomes are projected to decline. Notably, the proportion of Michigan's paved roads in poor condition is forecasted to rise from 33 percent in 2023 to 48 percent by 2033 (ASCE 2023).



Additionally, Michigan's industrial legacy has left the state with hundreds of contaminated sites, and the quality and safety of our water supply faces major threats of decline. Our drinking- and stormwater grades (D+ and D, respectively) both point to serious opportunities for improvement (ASCE 2023).

Finally, in contrast to many growing metropolitan areas across the country, Michigan has failed to build a robust transit system that connects Michiganders accessibly. Our public transit user rates are in the bottom half of growing peer states and below national rates, and according to Michigan's ASCE report card (2023), "Reliability and availability of transit services in many areas is inadequate to meet demand or attract new riders."

**Overall, Michigan's average inflation-adjusted capital spending per person per year (2000-2021) ranked 47th among all the states and well below the U.S. average (U.S. Census Bureau March 2023).** Despite recent improvements, our infrastructure is not delivering the services needed to encourage people and businesses to set down roots. The mechanism used to fund our crumbling roads fails to meet the growing need for improvement, our communities' outdated water infrastructure imperils the promise of clean water in our taps and waterways, and Michiganders from all areas of our state struggle to access job opportunities or explore our unique regions due to inadequate transit. Without dynamic, equitable solutions, our communities will continue to struggle.

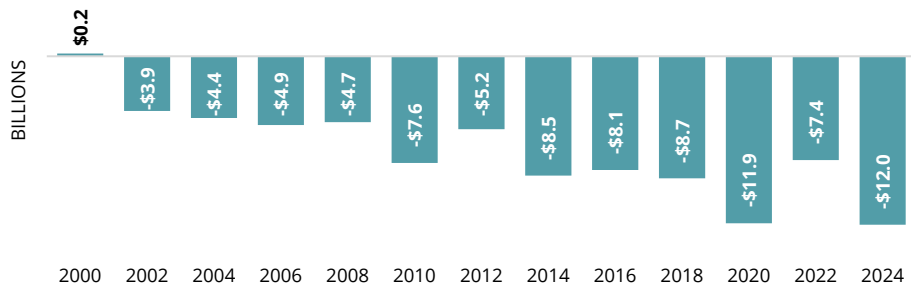
## Structural Challenges Are Holding Us Back

Taken together, negative trends related to school performance, economic health, and infrastructure quality limit Michigan's competitiveness.



In terms of fiscal competitiveness, in recent years, Michigan’s expenditures and revenues have grown at a much slower rate compared to those of the U.S. as a whole (Guidehouse 2023). Today, Michigan collects \$7 billion less in revenue as a percentage of personal income than in 1978 (Citizens Research Council of Michigan May 2023d). Additionally, we’re investing less in our people and communities than the U.S. average. Michigan state and local expenditures grew by only 11.9 percent from 2007 to 2021 as opposed to 29.5 percent for the U.S. (Guidehouse 2023).

### State Revenue Relative to Constitutional Limit



Source: Citizens Research Council of Michigan May 2023d

**More importantly, Michigan faces structural impediments to our progress that make it difficult to reverse the outcomes holding us back.** The number of local units of government and school districts relative to our population add cost and complexity to efforts to equitably improve outcomes across our state. Further, Michigan’s local and state revenues fail to keep up with economic growth (e.g., Michigan’s General Fund, which supports much of the state budget, remains 25 percent below 2000 levels despite economic growth), and our reliance on gas tax revenues amid the transition to electric vehicles all point to structural misalignment in Michigan’s system of public investment (Guidehouse 2023).

The path to a brighter future for Michigan must tackle structural challenges and buck partisan division to make Michigan competitive. Long-term solutions will require commitment, courageous leadership, and cohesion.

The challenges facing our state are even greater than the council expected before beginning their work. **Measures of shared prosperity, educational outcomes, and community well-being are not good enough to retain critical talent, attract business, and grow Michigan’s population.** Bold reform is required, or our communities will continue to suffer, and our state will continue to decline in wealth, health, and prominence. Michiganders deserve better.

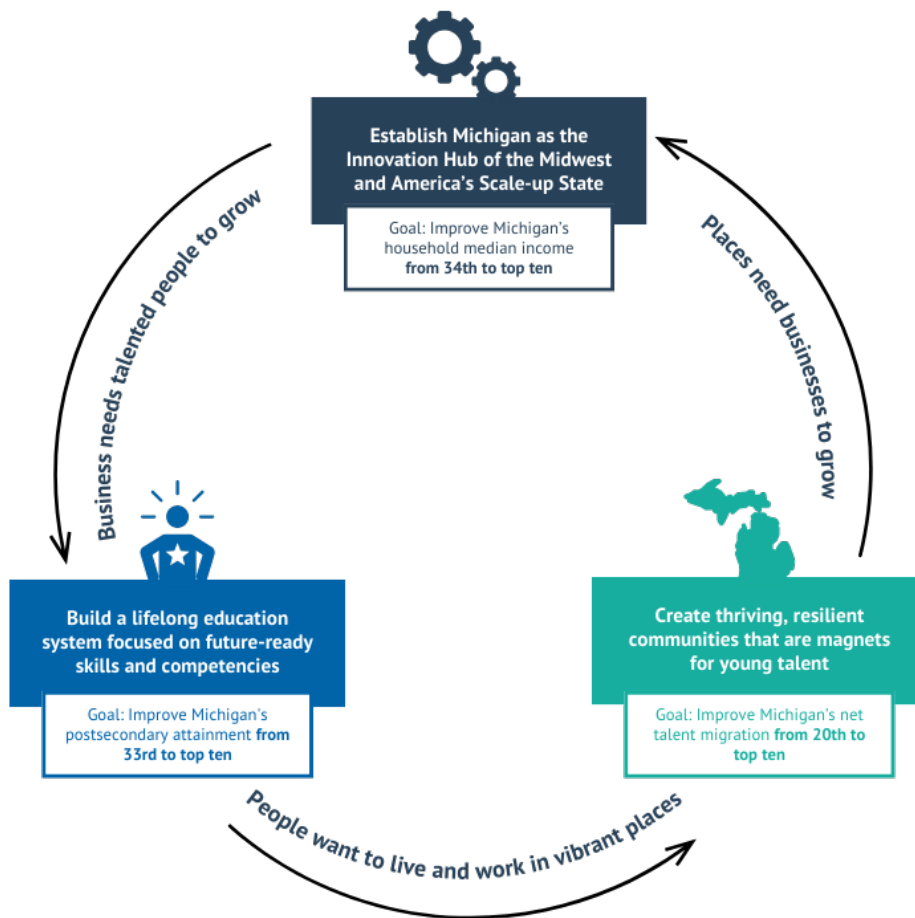
Decades of apathy, structural deficiencies, and a lack of political cohesion have brought us to this point—no singular action will reverse these trends. But together, the recommendations in this report, representing committee members’ bipartisan work and the voices of more than 10,000 Michiganders, offer a path for Michigan to take early action, engage in a process to improve our state, and lead the nation once more.



# Strategies

To achieve our vision and overcome our challenges, we must take advantage of Michigan’s best opportunities for growth. To that end, the Growing Michigan Together Council focused on **transformational strategies that redefine how we grow businesses that provide high-wage jobs, educate our kids so they can succeed and innovate in this economy, and create thriving, inclusive places that are magnets for talent.** These strategies provide a blueprint for creating a Michigan where anyone can get a world-class education that provides them with future-ready skills needed for a high-paying job and has places where employers and talent want to establish roots.

These strategies are interwoven and together create a virtuous cycle of growth for Michigan. A strong education system leads to the development of a talent pipeline for the 21<sup>st</sup>-century economy, and in order to attract employers and keep our college graduates in Michigan, we need places where people want to settle down.



**These strategies align with key metrics that help drive population growth, including achieving:**

- **Top ten in household median income.** By raising the median household income, we will have created more higher-paying jobs and provided the right education and training for our people to fill them. Growing median income is essential to ensuring a prosperous future for all Michiganders, including those who are currently underserved.
- **Top ten in postsecondary education attainment.** To increase household median income, we must also increase our postsecondary education attainment, which is directly correlated with higher-paying jobs and the ability to recruit the next generation of employers.
- **Top ten in net talent migration.** Retaining and attracting talent, especially young talent that is increasingly mobile, is necessary for population growth. Successful talent migration includes developing the jobs and places people are seeking.



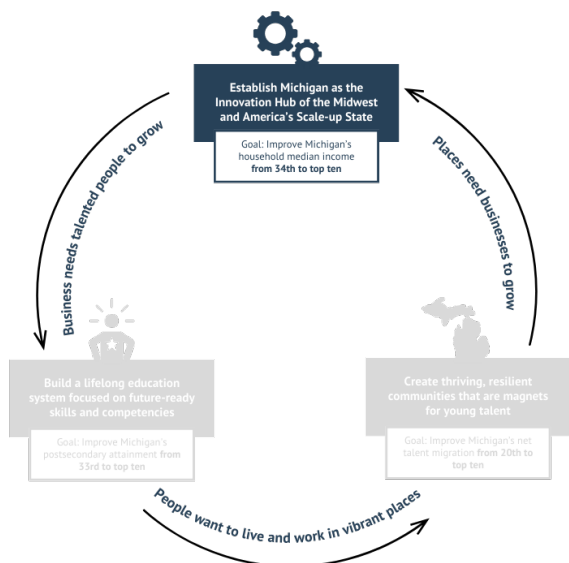
STRATEGY 1

# Establish Michigan as the Innovation Hub of the Midwest and America's Scale-up State





## Why This Matters



Michigan has incredible assets. Our world-class higher-education institutions include three tier-one research universities, serving more than 400,000 students annually. **Our state is number one in the nation for concentration of engineers as well as commercial and industrial designers, is home to innovative and diverse industries, benefits from abundant fresh water and superb natural resources for recreation, has dynamic communities with rich cultural heritage, maintains low housing costs compared to other states, and more.**

Yet, as the data in this report shows, Michigan lags in median income, educational attainment, and talent retention and attraction. We lack a forward-looking, cohesive approach that leverages our distinctive competencies and invests in positioning Michigan to best compete for high-wage, high-growth jobs and the talent they require.

States with robust innovation ecosystems become magnets for both businesses and talent, driving population growth. However, despite our rich history in entrepreneurship and innovation, Michigan has gaps in our ecosystem that growth-stage companies need to scale and create the high-paying jobs that come with that growth. For example, although every dollar invested in a Michigan startup by a Michigan venture capital firm during 2022 attracted \$30.68 of investment from outside of Michigan, **Michigan comes in dead last in per-capita venture capital investment among the 26 states with at least \$700 million in venture capital investment** (Michigan Venture Capital Association 2023; Glasner 2021).

In addition, despite attracting students from around the globe to the state's top-notch higher-education institutions, **Michigan experiences an annual net loss of approximately 5,600 postgraduates** (Boston Consulting Group October 2023). In particular, Michigan fails to retain college graduates in the most critical areas of the growing technology and knowledge economy. For example, only about one-quarter of University of Michigan's computer-related majors are working in the state five years after graduation (LeBlanc 2023). Another reason for student exodus is a lack of access to internships and opportunities for meaningful on-the-job experience prior to entering the full-time workforce (Marken and Curtis 2023). In the absence of a clear opportunity for career growth with a Michigan-based company, young talent will continue to seek high-paying jobs with employers in states and regions with concentrated industries and networks of professionals, exacerbating the state's existing labor shortage.

*"First, we have to keep our kids at home, and secondly, we've got to recruit other kids from other areas. It's such a shame we pay billions of dollars to send these kids to Michigan State, Michigan, Wayne State, and the others—and New York and Chicago and other cities are benefiting from our investment."—Dan Gilbert*

Michigan's potential as an innovation hub is also directly challenged by our low labor force participation rate, which sits in the bottom third in the nation (U.S. Chamber of Commerce Foundation 2023). Even compared to other midwestern states, Michigan's labor force participation is low. If Michigan just matched the nation's average rate, the state would have 79,000 more workers (French and Wilkinson 2023). Labor shortages limit businesses' interest in expansion and discourage out-of-state companies looking to relocate from considering Michigan when there are other states with a large pool of qualified potential hires. A higher workforce participation rate can contribute to greater economic growth, a stronger tax base, and community well-being.

But what is keeping Michiganders out of the workforce? In part, insufficient child care and elder care. **Michigan loses \$2.88 billion in economic activity and \$576 million in tax revenue and our businesses lose \$2.3 billion a year due to issues created by a shortage of child care** (U.S. Chamber of Commerce Foundation 2023). And **while 32 percent of all families in Michigan have experienced employment issues related to child care, larger numbers (44 percent) of lower-income families report experiencing the same challenges** (U.S. Chamber of Commerce Foundation 2023). Michigan received an equally low overall rating for services for older adults—31st in the nation (AARP n.d.). Whether it is older adults or children, people cannot go to work unless they know their family members are in a safe and comfortable place.

## What We Can Do

Michigan needs a roadmap to transform our economy to a robust innovation ecosystem that will create, scale, and grow high-wage jobs; ensure we have the talented workforce to fill them; and create opportunities for all Michiganders to have a high quality of life. Aligned with other recommendations in this report, Michigan must **embrace its entrepreneurial and innovation roots along with our proven capacity to scale businesses in order to create the high-wage, knowledge-based, professional, and creative jobs that will attract and retain talent.**



## RECOMMENDATION

### Develop an **economic growth plan** that establishes Michigan as the Innovation Hub of the Midwest and America's Scale-up State

States, regions, and cities, such as Massachusetts, Silicon Valley, and Austin, Texas, have strategically fostered entrepreneurial economies, created business-friendly climates to attract and grow technology-driven industries, and invested in vibrant cities and thriving innovation hubs. These areas have experienced significant growth in median incomes, talent retention and attraction, and quality-of-life factors (e.g., healthcare, education, cultural amenities). To achieve these outcomes, these places developed and implemented deliberate plans with public-private partnerships being integral to their success.

For Michigan to compete and grow, we must develop a **bold, coordinated economic growth plan** that **establishes Michigan as the Innovation Hub of the Midwest and America's Scale-up State with a customer service approach that removes barriers and creates an environment** where entrepreneurs and companies of any size and stage can flourish. A strategic growth plan provides stability and predictability, encouraging businesses to make long-term investments and enabling greater alignment

among ecosystem partners (e.g., research institutions, industry leaders, startups, government entities).

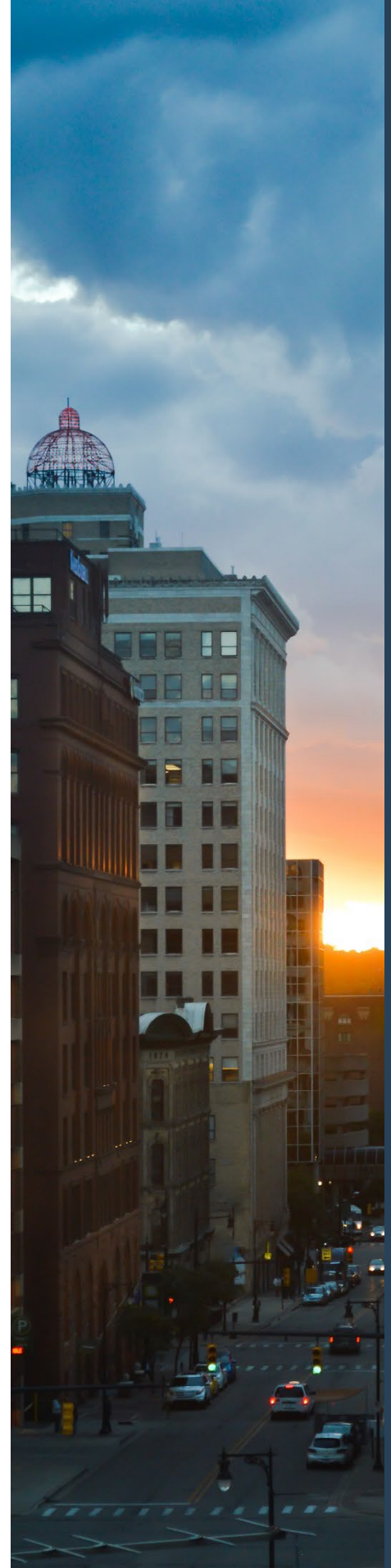
A robust plan must also empower regions to leverage unique opportunities and assets, including anchor higher-education institutions; high-growth, high-wage industries; natural and community amenities; and other assets to attract and grow businesses and talent. We should harness these assets and commit to making ongoing **concentrated investments in Michigan regional innovation districts to attract and retain more talent, which in turn will contribute to driving knowledge-based business creation and growth, thriving communities, and median income growth.**

Coupling strategies that expand regional innovation districts with a significant investment in the state's entrepreneurial ecosystem and the removal of barriers to make it easy for businesses to grow will catalyze new business startups and contribute to positioning Michigan as an innovation hub focused on scaling key industries.

This economic growth plan must have a sustainable governance and funding model that has the longevity to withstand political, industry, and economic changes. It also must include goals and metrics with strong, accountable leadership, as well as mechanisms to continually improve and evolve amid a rapidly changing future. Without this comprehensive, long-term plan we will continue to act based on short-term priorities and fail to build the Michigan we want for ourselves and generations to come.

**Elements to incorporate into this plan that are ripe for short-term implementation include:**

- Strategies that catalyze more regionally driven innovation districts framed by anchor institutions and high-wage, high-growth industries that attract talent, create density and draw in capital to create further investment and growth (e.g., Grand Rapids' Medical Mile, District Detroit)
- Refreshed economic and workforce development incentives and programs to better align with knowledge economy jobs, that provide flexible training and support services based on critical employer and workforce needs (e.g., retraining workers to support the transition to electric vehicles)
- A public-private, globally-competitive evergreen fund investing in high-wage, high-growth industries (e.g., mobility/electric vehicles, healthcare, green tech) to transform the state's entrepreneurial and innovation ecosystem and drive business growth
- Expanded capacity in Michigan's business incubation and accelerator network to support business scaling, particularly for underserved communities and immigrant populations
- Reduced barriers to increase Michigan's workforce participation, including increasing access to and affordability of child care and elder care, transportation, and postsecondary education and training, which all contribute to growing incomes, a stronger tax base, and community well-being

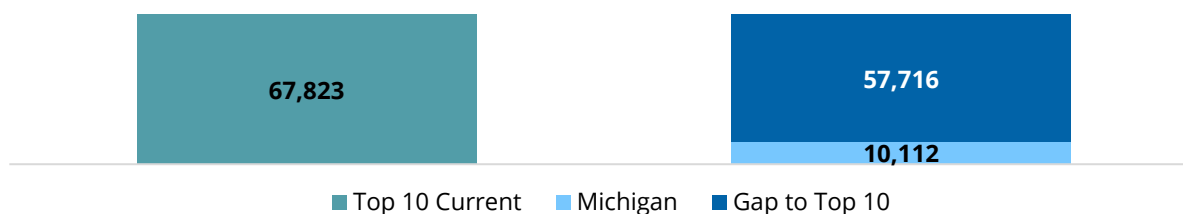


## RECOMMENDATION

### Target efforts to attract and retain young talent

Recent polling conducted by the Detroit Regional Chamber in partnership with Business Leaders for Michigan indicated that jobs with competitive salaries and welcoming places are major factors in the decision on where to locate among Michigan adults 18 to 29 years of age. **College-educated adults are most likely to leave the state** according to the poll, and 64 percent can see themselves in Michigan in ten years (Detroit Regional Chamber 2023; Business Leaders for Michigan 2023). We need to make significant improvements in this area to rank among the top ten states in net talent migration (Exhibit 1).

#### Exhibit 1. Net Talent Migration Gap



Source: Business Leaders for Michigan

Reversing our negative net migration trend requires competing with other states to attract and retain young talent through a combination of novel incentives and targeted marketing. More and more regions across the country—from Northwest Arkansas to Topeka, Kansas, to Rochester, New York—and states (e.g., Alabama, Maine, West Virginia) are offering relocation and down-payment incentives, workforce training, tax credits for student loans, and other incentives to attract and develop talent to fill in-demand, high-wage jobs (Bloom 2023; CBRE 2021). These regions and states are aggressively marketing their talent attraction incentives and other offerings as centers of innovation and vibrant places to live.

**To compete for young talent, Michigan should implement the following in the short term:**

- Pilot talent retention and attraction incentives that require a commitment to live and work in Michigan, growing the talent pipeline for critical knowledge-based jobs (e.g., first-time homebuyer, relocation, alternative underwriting, reverse scholarships)
- Grow partnerships between Michigan employers and higher-education institutions to enable greater student exposure to real-world, on-the-job experiences for credit and/or payment
- Implement a robust, targeted national marketing campaign to shape the perception of Michigan as the Midwest Innovation Hub and America's Scale-up State and to showcase our assets, programs, incentives, and opportunities aimed at retaining and attracting young talent

A bright spot hidden within Michigan's current population trend is **international immigration, a demographic currently demonstrating a positive growth trajectory**. Michigan is home to nearly 700,000 international immigrants, comprising 7 percent of the total population (American Immigration Council n.d.). Current estimates project that this number could nearly double with an anticipated growth total of 630,000 more immigrants calling Michigan home by 2050 (Citizens Research Council of Michigan May 2023b). **Immigrants grow the Michigan economy, with over 40,000 immigrant entrepreneurs contributing \$1.3 billion in business income** (American Immigration Council n.d.). International students contributed \$695.5 million and supported 9,699 jobs in 2021 (American Immigration Council n.d.).

The following policies should be implemented in the short term to support immigrant retention and an immigrant-inclusive economy that enables a smooth transition for families choosing to relocate and thrive in Michigan:

- Develop a state-led support service that streamlines processes for employers and immigrants to facilitate workforce engagement and business growth (e.g., reduce barriers for obtaining a driver's license, maximize H-1B visa utilization, increase language access, create pathways to training and education)
- Create a process to ensure licensed/credentialed professionals from outside the United States can have their relevant documentation translated and applied to Michigan's standards

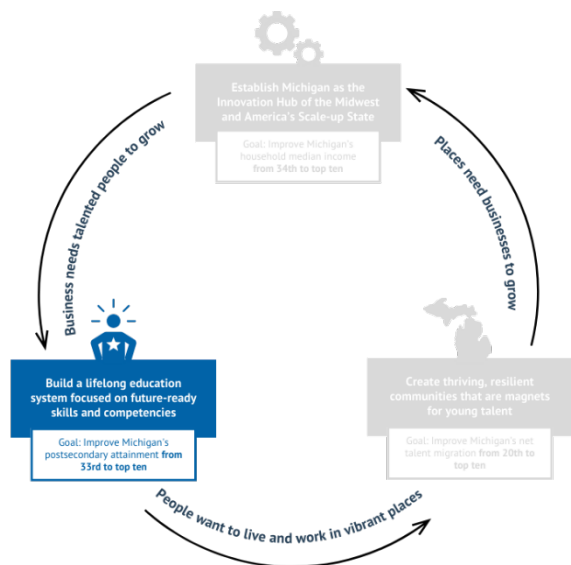
STRATEGY TWO

# **Build a lifelong learning system focused on future-ready skills and competencies**





# Why This Matters

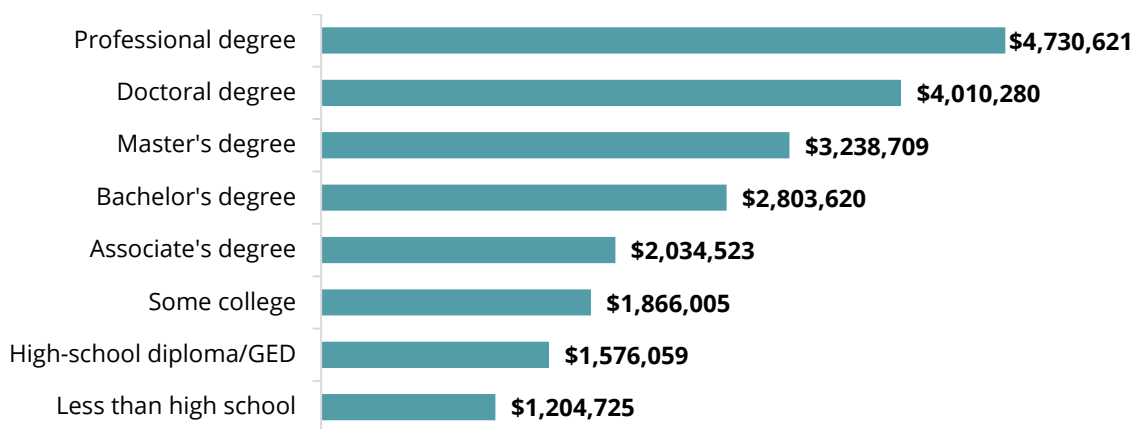


**If Michigan is to become the Innovation Hub of the Midwest and America’s Scale-up State, we must have an education system designed to equip our students with the knowledge and skills necessary to thrive in this economy.** Unfortunately, Michigan’s education system is antiquated, designed for a different time when a high school diploma

was enough for most people to get a high-paying job and earn enough to provide for their family their entire working life. Over the past three decades, that story has changed.

Our changing economy demands a higher level of education. The fastest-growing occupation and industry sectors are those that have workers with the most postsecondary education and training (Carnevale et al. 2023). We must continue to acknowledge the importance of jobs for residents with a high-school diploma or less, but the gap in economic opportunity those jobs afford is vast and expanding. **Bachelor’s degree holders earn \$1.2 million or 75 percent more over the course of their careers and are two times less likely to be unemployed than those with only a high-school diploma** (Carnevale, Cheah, and Wenzinger 2021; U.S. Bureau of Labor Statistics September 2023).

## Lifetime Earnings by HIG

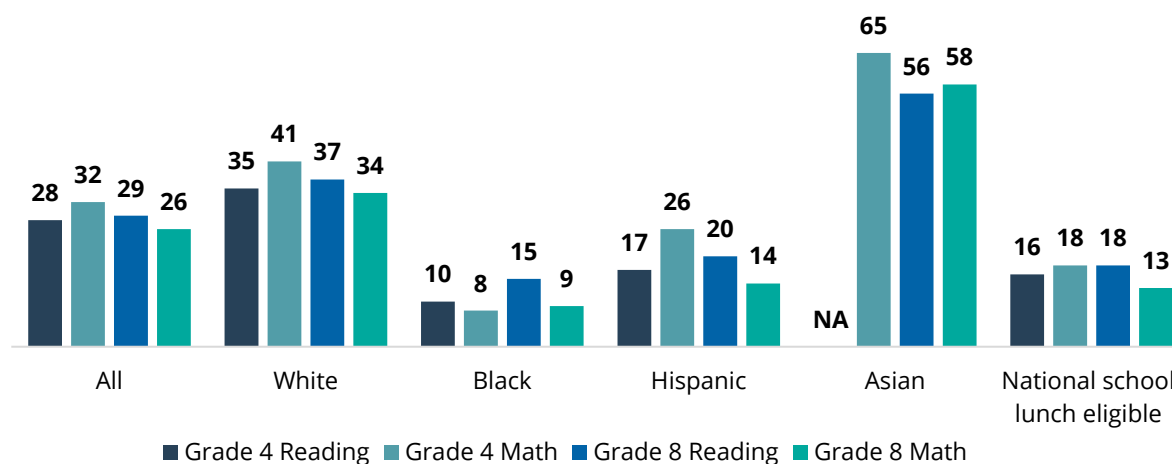


Source: Carnevale, Cheah, and Wenzinger 2021

Unfortunately, the data tell us that Michigan’s education system is not meeting the needs of students – particularly students with marginalized identities – and it’s not meeting the needs of our state.

**Less than one-third of Michigan students are proficient in either reading or math at either fourth or eighth grade levels. As shown in the exhibit below, results are worse for Black, Hispanic, and low-income students.**

### Percentage of Students at or Above Proficient, Reading and Mathematics, Grades Four and Eight, 2022

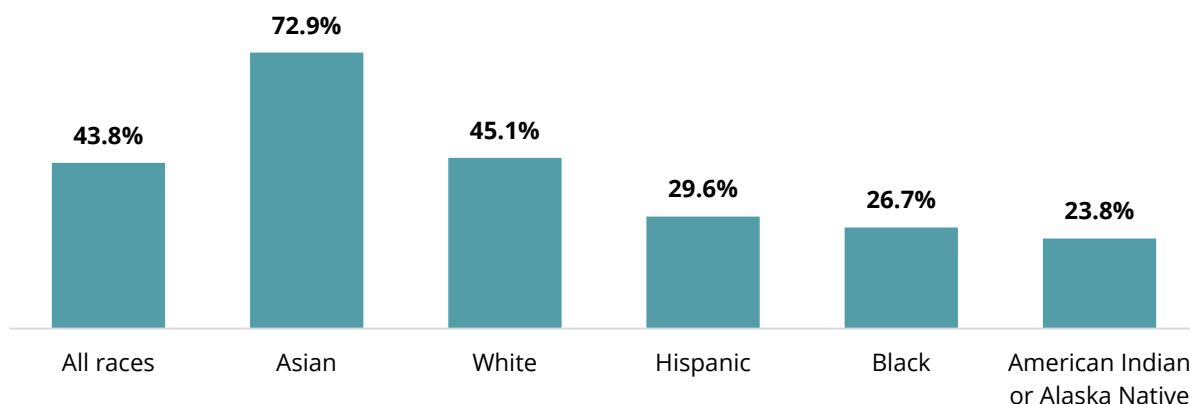


Note: Reporting standards not met for grade-four reading proficiency for Asian students in the state.

Sources: National Center for Education Statistics n.d.b; National Center for Education Statistics n.d.c; National Center for Education Statistics n.d.d; National Center for Education Statistics n.d.e

Further, only about 7 percent of our students gain college credit in high school—compared to more than 30 percent nationally and over 60 percent in our neighboring state of Indiana—and only about half of our recent high-school graduates enroll in postsecondary education (Michigan’s Center for Educational Performance and Information n.d.a and n.d.c; Indiana Commission for Higher Education 2021; U.S. Department of Education 2022). For postsecondary educational attainment, a metric this report aims to boost, **Michigan ranks 37th nationally, with only 50.5 percent of Michiganders ages 25 to 64 having either a postsecondary degree or credential, compared to top-ten states who average more than 60 percent** (Michigan’s Center for Educational Performance and Information n.d.b; Lumina Foundation n.d.). Only 43.8 percent of Michiganders ages 25 to 64 have an associate’s degree or higher. As shown in the exhibit below, attainment results are worse for Black, Hispanic, and American Indian or Alaska Native residents, again confirming outcomes are worse for historically marginalized groups (Lumina Foundation n.d.). Compared to other states, Michigan ranks 33rd for bachelor’s degree attainment and higher and 49th in the nation for community college completion (U.S. Census Bureau n.d.f; Business Leaders for Michigan 2023).

### Associate's Degree or Higher Attainment, by Race



Source: Lumina Foundation n.d.

## What We Can Do

**For Michigan to become a top-ten state in postsecondary education attainment, we must build a lifelong learning system that enables every student to succeed and thrive in the 21st-century knowledge-based economy.** The following recommendations are a coherent roadmap for redesigning Michigan's education system and emerge from an analysis of the most successful systems in the U.S. and across the globe. They are not meant to be considered a menu of options, but rather as a comprehensive recipe for success. They are as follows:

- **Commit to the Michigan Education Guarantee** that all students will develop future-ready skills and competencies to thrive in work and life and guarantee up to a 13th year of schooling if needed to ensure that all students achieve this standard
- **Reimagine the job of teaching and the structure of the school day**, enabling educators to innovate so students can learn for life
- **Make postsecondary education attainment more accessible and affordable** by providing all students with up to two years of free postsecondary education and creating a seamless lifelong learning system
- **Align governance and accountability across an equitably and efficiently funded lifelong learning system** while clarifying roles, eliminating inefficiencies, and bolstering capacity

## RECOMMENDATION

Commit to the Michigan Education Guarantee that all students will develop future-ready skills and competencies to thrive in work and life and guarantee up to an additional year of schooling to ensure that all students achieve this standard

The Michigan Education Guarantee is a commitment by the State to students, parents, postsecondary institutions, employers, and the community that all Michigan students will get the necessary support to graduate with the competencies needed to be successful in their next stage of education and in today's economy. **Preparing students for an uncertain future requires creating learners who are adaptable, curious, collaborative, excellent communicators, and who have a strong foundation of academic skills alongside respect for democratic values and a sense of morality.** Most importantly, it requires learning for life, as students face a volatile job market and a changing society.

The goal will be for most students to reach the Michigan Education Guarantee standard by the end of tenth grade. Others will reach that standard at the end of 12th grade, and for any student who has not met the standard by the end of 12th grade, the State will provide for a 13th year of studies to enable them to reach it. This 13th year of support may be delivered at a local community college as a co-requisite with credit-bearing courses.

### **Establishing the Michigan Education Guarantee will require:**

- Analyzing the knowledge and skills students need to thrive in Michigan’s future economy and an increasingly complex world, and using this analysis to establish the standards for the Michigan Education Guarantee
- Creating ways for students to demonstrate competency in the Michigan Education Guarantee standard before graduation
- Establishing benchmarks at elementary, middle, and early high school for students to reach to stay on track toward the Michigan Education Guarantee standard
- Redesigning curricula and assessments to align with the Michigan Education Guarantee standard, including:
  - Expanding high-school pathways, such as career-connected programs, early college opportunities, and Advanced Placement and other college preparatory programs—and ensuring access for all
  - Providing funding for extended school-day and school-year models that offer student-centered learning approaches to promote equity and flexibility to adapt to the needs of different students
  - Expanding enrichment and out-of-school time
  - Learning opportunities for students to pursue interests, explore new topics, and find their passions
  - Committing to provide all students up to an additional year of education after 12th grade to meet the Michigan Education Guarantee standard

### **To begin setting the Michigan Education Guarantee standard and creating the system to support it, the following steps should be taken:**

- Convene a group to create a broadly shared vision for Michigan’s next-generation education system and a sequenced strategy to get there
- Analyze education system governance and map roles and responsibilities; identify inefficiencies, overlaps, and gaps; and make recommendations to ensure that all parts of the system have the capacity to implement the state strategy
- Conduct a study of what Michigan students need to know and be able to do in workplaces of the future to set the Michigan Education Guarantee standard
- Set the Michigan Education Guarantee standard and design benchmarks to assess progress to this standard

## RECOMMENDATION

Reimagine the job of teaching and the structure of the school day, enabling educators to innovate so students can learn for life

Just as we know our students will need to be lifelong learners, we must set our teachers up to be lifelong learners as well. This is the only way that our schools will be up to the task of ensuring that all students reach the Michigan Education Guarantee standard. Our school environments are not currently set up for teachers' ongoing learning and development. **Getting there requires new designs for schooling, which may include structuring the school day to give teachers opportunities to work together, learn to improve their own practice, and consider how to best organize teaching and learning across their school.** This collaborative learning time is not only beneficial for teachers' continuing growth, development, and job satisfaction, it also drives stronger and more equitable student learning. When the most experienced and effective teachers mentor and support their peers, it improves the overall quality of teaching and learning for every child in the school.

We are not proposing one fixed model. **This recommendation builds off of the previous recommendation and is designed to spur disciplined innovation to transform schools into research and development hubs** for testing and refining new and more effective models for teaching and learning that will fit the needs of local communities while ensuring that every teacher, in every community, has

access to a world-class lifelong learning experience and, ultimately, promotes stronger learning for all children. When implementing a model, considerations should include:

- Rethinking school schedules and incentivizing staffing models to provide opportunities for teacher professional learning, collaboration, and instructional support (e.g., peer-to-peer observations, common planning time, debriefs, etc.)
- Developing teacher career progressions with new roles that leverage teacher expertise and providing leadership opportunities for highly accomplished teachers
- Funding incentives for highly accomplished teachers to pursue jobs in rural areas and other areas of the state with staffing shortages
- Strengthening teacher preparation to reflect the latest research in the science of learning

**To advance this recommendation, the following steps should be taken:**

- Create pilots for districts to design new teaching and learning models in partnership with the higher-education community
- Create pilots for districts and teacher preparation institutions to design new high-quality teacher preparation programs, including residencies

## RECOMMENDATION

Make postsecondary education attainment more accessible and affordable by providing all students with access to up to two years of free postsecondary education and creating a seamless lifelong learning system

For Michigan to be more competitive in the global labor market and attract the type of high-wage, knowledge-based companies and entrepreneurs that will drive our economic prosperity, **the state must find ways to greatly increase the percentage of young people gaining a postsecondary credential, particularly a bachelor's degree.** Michigan has already taken important steps to increase the number of residents with a degree or certificate, including adoption of a statewide goal to increase the percentage of our adult population with a post-high-school credential or degree from 50.5 to 60 percent by 2030, launching and expanding the Michigan Reconnect program that helps pay the costs of tuition or training for eligible adults who want to pursue an associate's degree or skills certificate at their in-district community college, and implementing the new Michigan Achievement Scholarship to boost the amount of financial aid offered by the state and reduce postsecondary education and training costs.

To further this positive momentum, **Michigan should expand our preK–12 system to a preK–14 system** by providing access to two years of postsecondary credit-bearing coursework (in high school, public

university or college, or any qualifying career and technical education [CTE] pathway) for any student who reaches the Michigan Education Guarantee standard, at no cost to them. Once they do, whether in high school, college, or a CTE pathway program, they will be entitled to take credit-bearing courses at no cost to themselves for up to two years. This offer is limited to those students reaching the Michigan Education Guarantee standard to avoid paying for postsecondary courses for students who are not yet academically prepared. However, the accountability measures for Michigan's education system, and the system itself, will be focused on supporting all students to reach this standard (with an extra year for any student who does not reach that standard by the end of 12th grade), so the number of students who meet this standard should grow significantly over time.

An initial two years of postsecondary education at any Michigan institution will not be enough for all students over their lifetime. The state will need to do more to equip Michigan's workforce with the full array of experience and knowledge it needs to keep growing and innovating.

**Michigan must also better align its secondary, postsecondary, and workforce development** systems to create clear pathways to credentials of value and to ensure that students can progress to higher levels of education and add new skills to their resumes seamlessly. This will require helping ensure that postsecondary credits earned in high school transfer to two- and four-year colleges in the state, that career-focused programs in high school are matched with pathways to industry-valued credentials, that credits earned at two-year institutions or high schools transfer to four-year degree programs, and that specific postsecondary skill training “stacks” into valued and portable credentials for workers. This should build on and deepen the work of the Michigan Transfer Network, which sets policies for transfer between two- and four-year institutions in the state.

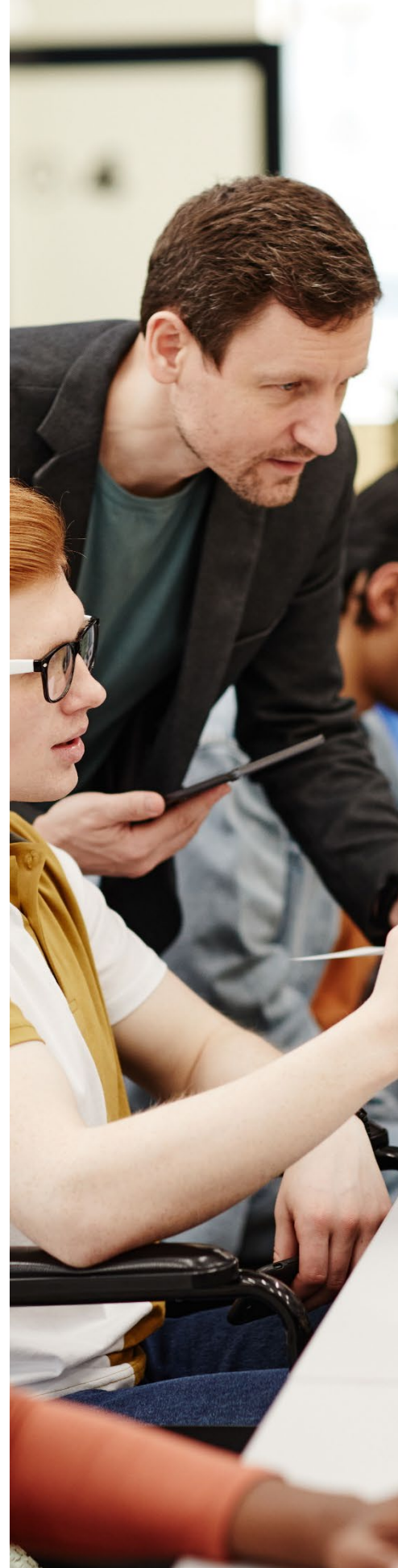
**To implement this recommendation, Michigan must:**

- Align the Michigan Education Guarantee standard with initial credit-bearing postsecondary college courses
- Allow students to earn credits while still in high school as part of a dual enrollment or Advanced Placement/International Baccalaureate (AP/IB) program, or following high school by enrolling directly in a two- or four-year college or other postsecondary training leading to a certification valued by industry
- Provide students who may need an additional year after high school to reach the Michigan Education Guarantee standard with access to college credits or other postsecondary training either following their 13th year or concurrently
- Encourage four-year public universities to accept the college credit high-school students earn as part of their post-Michigan Education Guarantee coursework
- Encourage Michigan universities to fulfill general education requirements for Michigan students with a Michigan-based associate’s degree, helping to make the transition seamless, and guarantee such students entry at junior status
- Create policies and programs for Michigan universities to guarantee admission for community college students at an agreed-upon grade point average
- Create statewide career pathways in high-growth industry areas, beginning in high school and leading to industry-valued certificates and degrees that qualify students for high-wage jobs
- Enable current workers to accumulate credit toward full certifications and degrees through work-based experiences and training by articulating a series of stackable credentials
- Organize work-based learning opportunities for all students and workers at all levels of the education system, including ways to earn college and industry certification



### In the short term, Michigan should:

- Convene a workgroup to design post-Michigan Education Guarantee pathways for students to gain postsecondary credit and ensure that all students have access to all pathways
- Form a workgroup with participating institutions, including preK-12 and postsecondary representation, to agree on an efficient and fair funding model
- Negotiate the necessary reciprocity agreements among high schools, community colleges and public universities to allow for credit transfers and dual credit arrangements
- Assess value proposition of common-course numbering to allow for clearer credit transfer
- Create a framework to oversee dual enrollment pathways for students
- Fund grants for "success coaches" for eligible community college/four-year partnerships with guaranteed pathways between institutions
- Provide needed support so students can complete FAFSA forms to access all funding available to them
- Jump start deeper two- to four-year coordination with guaranteed pathway partnerships, paired with continuous guidance from success coaches



## RECOMMENDATION

Align governance and accountability across an equitably and efficiently funded lifelong learning system while clarifying roles, eliminating inefficiencies, and bolstering capacity

Michigan's relatively weak performance educationally is not the fault of its students or parents, and it's certainly not the fault of its teachers. Michigan has a systemic problem. Namely, we have an education system built for a bygone era that lacks coherence. **Neither the governance structure nor the funding of Michigan's preK-12 and postsecondary systems are aligned to high performance.** With more than 800 different school districts, more than 50 intermediate school districts with varying roles and resources, and a lack of a clear and shared vision for the system's goals, there is little coherence across the state. Postsecondary institutions are independent in Michigan, which affords the institutions autonomy and flexibility but limits the degree to which the state can incentivize improvements and ensure alignment with its economic goals and priorities.

Funding is another long-standing challenge in Michigan. **At the preK-12 level, Michigan has long funded schools inequitably, creating opportunity gaps among students across the state.** It has also underfunded schools, leaving them scrambling from year to year to maintain basic programming for their students without stable and predictable funding, and spent funds inefficiently, not targeted on the students who need it most and the strategies shown to work. Michigan has made major strides in addressing these historical inadequacies, including the addition of funding weights for populations that need more services and the recent infusion of \$609 million for preK, support services, tutoring, and the new Opportunity Index to address the needs of students from families living in poverty. But more can be done to create a truly efficient, equitable, and stable funding system. Michigan should build on the findings of reports that have analyzed resource needs (e.g., "What Will It Take to Achieve Funding Adequacy for All Michigan Students?," "Update to Costing Out the Base Resources Needed to Meet Michigan's Standards and Requirements," and "Eliminating the Opportunity Gaps", "Reinventing Public Education in Michigan,") to design a new funding formula and determine the appropriate revenue streams to fund the formula (Delpier and McKillip 2023; Augenblick, Palaich, and Associates 2021; DeNeal, Hatch, and Kingston 2023; Launch Michigan 2022)

At the postsecondary level, many institutions have struggled recently with falling enrollment and tuition revenue, even while the need for knowledge workers has risen. Revenue and enrollment issues will only become more difficult to overcome if postsecondary institutions aren't able to better align the programs of study they offer with the needs of Michigan's future economy.

**A new system will require rethinking the way that Michigan governs and funds not only its preK–12 schools but also its postsecondary education system (higher-education and workforce training offerings) to create a seamless system for lifelong learning.**

Enacting a bold vision of lifelong learning will require Michigan to effectively bring stakeholders together to set a forward-looking and unified vision for the education system and establish goals and a strategy for realizing that vision (as described in the first recommendation for this strategy). It must hold everyone in the system accountable for those goals while providing robust support to make the vision a reality. This includes clarifying responsibilities, sharing data on progress, strengthening capacity, and reducing inefficiency at every level.

**We need an approach to accountability that is transparent and fair, is aligned to our vision of what students need to know and be able to do** (the Michigan Education Guarantee standard), supports the expertise of educators, and guarantees a viable education for every young person in Michigan, regardless of race, gender, socioeconomic status, or zip code.

This new governance system would align roles and responsibilities, streamline duplicative bureaucracies to make the system more efficient, and build capacity at all levels to **ensure the system is up to the task of guaranteeing a world-class education for every student and continuous learning opportunities for all Michiganders**. All education funding should flow from this overarching strategy. Funding should be sufficient and equitable, while targeting resources strategically to reach system goals.

**To implement this recommendation, Michigan must:**

- Design a governance model to create accountability for students, educators, and policymakers by taking the following steps:
  - Bring preK–12, higher-education, and workforce development stakeholders together to set a forward-looking, unified vision for lifelong learning and bolster capacity to develop and execute plans to achieve that vision
  - Within postsecondary, study ways of coordinating policies across the system to best support attainment goals of the state, such as dual enrollment and transfer policies and connecting programming to economic priorities
  - Set attainment goals (including for the Michigan Education Guarantee standard, two-year degrees, four-year degrees, industry credentials in high-wage sectors) as well as broader goals (such as student and teacher well-being) and monitor progress toward those goals in coordination with the Michigan Department of Lifelong Learning, Advancement, and Potential (MiLEAP)

- Align the priorities of the Michigan Department of Education, the State Board of Education, MiLEAP, higher-education institutions, the workforce development system, and the governor's office
- Enable the governor of Michigan to appoint the superintendent of public instruction to better align the priorities of the Michigan Department of Education, the State Board of Education, and the governor's office
- Encourage colleges to create remote options for credit-bearing courses
- Share data on progress to inform continuous improvement of the system and ensure accountability to the public
- Strengthen capacity at all levels
- Within preK–12 education, study ways to streamline and align roles and responsibilities to eliminate redundancies and inefficiencies, such as combining administrative functions for multiple small districts within the same intermediate school district (ISD)
- Design a new funding formula for a next generation of preK–12 schools that is adequate, equitable, and efficient and aligned to the strategy for K–12 in that it:
  - Fully funds special education and English language learner programs for students across the state and requires that funding is used for the target groups and strategies intended
  - Provides additional funding to meet the broader needs of students from low-income families and schools with high concentrations of students in poverty by fully implementing the new Opportunity Index
  - Addresses funding at ISDs/regional educational service agencies due to widely varying millage rates levied on widely differing property valuations
  - Guarantees that all students, including those in remote and high-poverty areas, have access to the full set of services they need to thrive, such as English language support, extracurriculars, and higher-level classes
  - Considers capital expenditures an operating cost and funds them centrally so that schools across the state can equitably address repairs and provide students with great facilities conducive to learning
  - Provides districts with stable funding so that they can strategically plan long term, without disruptions from short-term shifts in enrollment
- Design a model for funding up to two years of postsecondary education for students who have reached the Michigan Education Guarantee standard that:
  - Allows students to earn these credits where they choose, including during high school as part of dual enrollment or AP/IB programs or following high school by enrolling directly in a two- or four-year college or other postsecondary training leading to a certification valued by industry

- Allows students to pursue these credits as soon as they meet the Michigan Education Guarantee standard, which might be during or after high school
- Requires that funding follow students to the institution that provides the courses
- Does not double fund courses provided for dual credit in high school and college
- Make higher-education funding more sustainable while providing funding incentives to motivate institutions to support completion and credentials aligned to Michigan’s priority economic goals

**In the short term, Michigan should:**

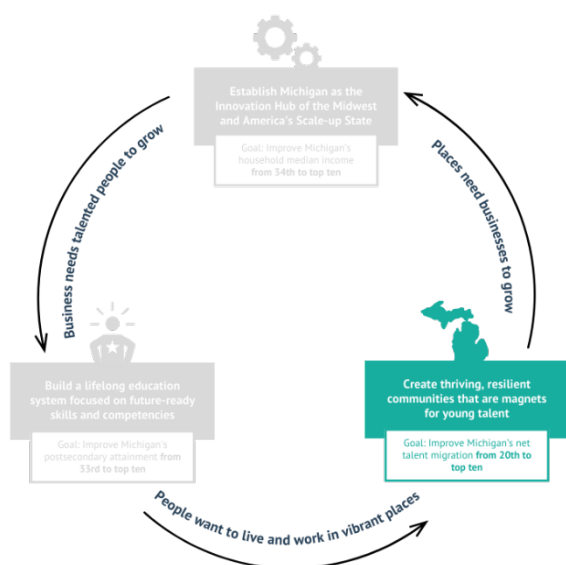
- Convene a group of stakeholders to set the forward-looking vision for lifelong learning across Michigan, and map out the roles and responsibilities to achieve that vision
- Coordinate that vision with the Michigan Education Guarantee standard that is described above
- Use the Michigan Education Guarantee as the cornerstone of a new accountability apparatus for Michigan schools
- Determine the metrics to measure progress toward implementing the lifelong learning system and achievement of the Michigan Education Guarantee standard and build the infrastructure needed to collect data on those metrics
- Conduct an analysis of the education system governance that organizes roles and responsibilities, identifies inefficiencies, overlaps and gaps, and makes recommendations to ensure that all parts of the system have the capacity to implement the state strategy
- Review K-12 funding to ensure that it is funding schools sufficiently, efficiently, and equitably, including addressing inequities in special education funding and career and technical education funding as well as the impact of local millages on districts’ ability to invest in buildings and other infrastructure. As part of this work, codify the new Opportunity Index and ensure that funding is invested in strategies that are shown to be effective in improving outcomes for target populations
- Convene experts to reimagine higher-education funding, including determining the model for funding two years of postsecondary, ensuring that higher education funding is sustainable, and linking funding to the state’s evolving economic priorities

STRATEGY 3

# Create thriving, resilient communities that are magnets for young talent



## Why This Matters



Just as the success of our economic development strategy depends on improving our educational outcomes and retaining our college graduates, there must be strong, vibrant places for employers and talent to locate.

Young people, and highly educated young people in particular, are flocking to major metropolitan areas anchored by vibrant city centers (Michigan Future Inc. n.d.). They are seeking out communities that are dense, walkable, and have high-amenity neighborhoods, with parks, outdoor recreation, public transit, retail, and public arts woven into residents' daily lives.

In vibrant metro communities there has been a concerted effort to:

- Provide rapid transit connecting the downtown to the suburbs
- Develop thriving neighborhoods that have trails and sidewalks that connect neighborhoods, access to green spaces, arts and cultural activities, and housing options
- Redesign the type and density of housing
- Welcome immigrants
- Address climate impacts

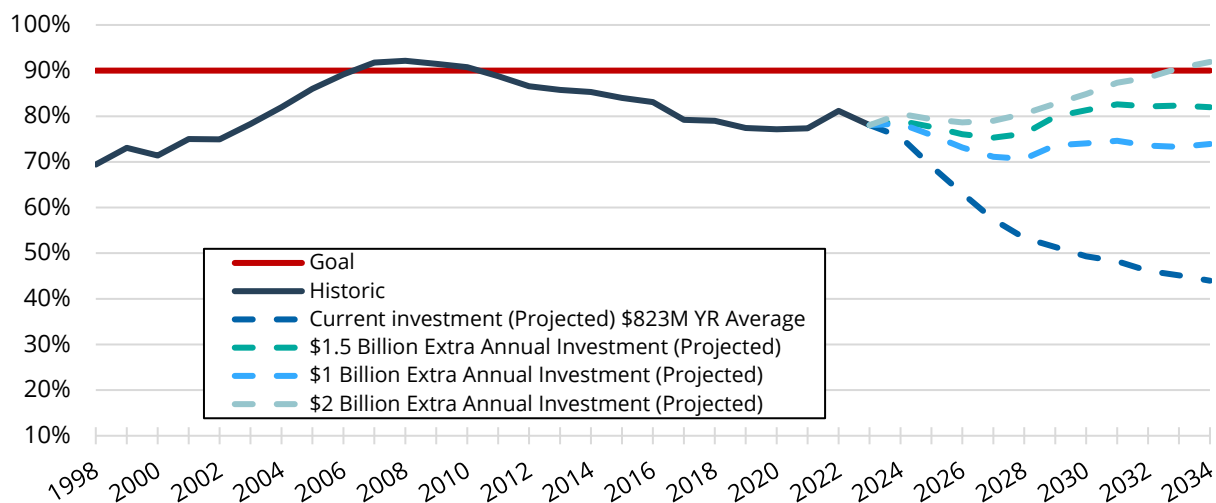
**While some Michigan communities have focused on addressing these issues, by and large, our downtowns lack the amenities, transit options, and housing stock that young people desire.** The State of Michigan has largely disinvested from placemaking efforts and provided limited resources and tools for communities to utilize for their own community development and place-based efforts. Connected with the limited investment in placemaking is the underinvestment in our physical infrastructure. This disinvestment, coupled with a changing climate, has led to the flooding of homes and businesses, crumbling roads, large-scale water contamination, and a public transit service that is disconnected and unreliable for Michiganders across the state. Once a state with thriving, affluent communities and world-class infrastructure, Michigan now faces myriad unmet needs and communities that lack the desirable attributes to attract young people to Michigan.



Source: ASCE 2023

Michigan's land, air, and marine transportation infrastructure serves as the conduit for moving over \$1.25 trillion in products and goods annually (TRIP 2022). Of these services, the state's roadways have become a focal point for scrutiny. Instead of being an asset to Michigan residents, visitors, and businesses, the current inadequate maintenance and funding of our roads, highways, and bridges is a liability to drivers, the state budget, and the economy. In 2016, Michigan's road funding deficit was \$2.2 billion (21st Century Infrastructure Commission 2016). **By 2023, due to insufficient funding to properly maintain the road network, the deficit had grown to \$3.9 billion annually, and this gap is only growing** (Public Sector Consultants 2023). If we remain at current rates of investment, by 2036, our state will have less than 40 percent of roads in good or fair condition (MDOT 2023). Complicating this issue, the global transition to electric vehicle use will siphon funding from the infrastructure investment tank, which relies on fuel taxes.

**State Trunkline Projected Pavement Conditions: Current Versus Additional Investment**



Source: MDOT 2023  
 Note: Based on remaining service life



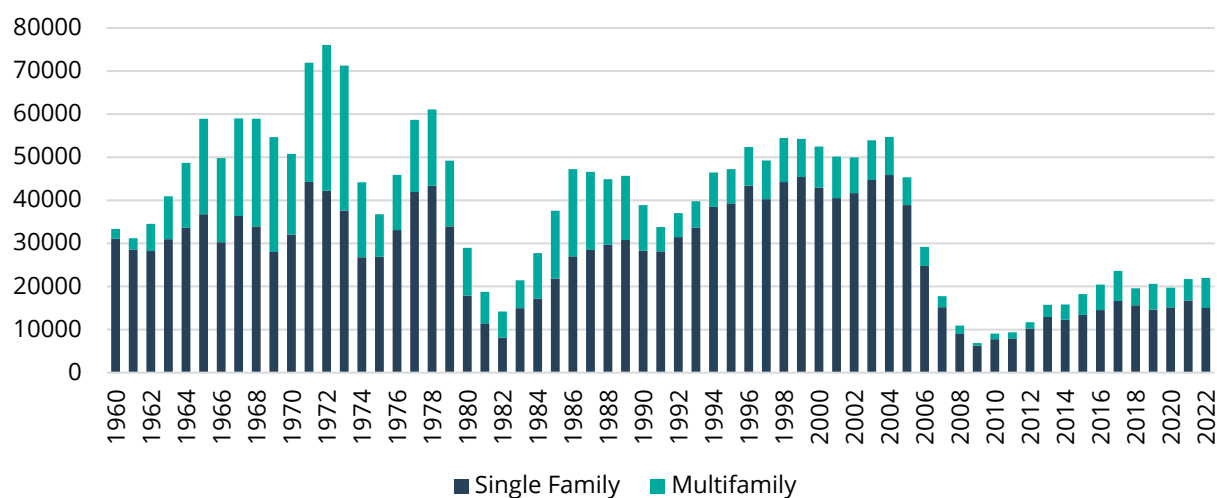
Furthering this challenge is Michigan’s historic reliance on auto mobility rather than person-centered mobility, which has prevented a more coordinated strategy on complete-street designs and alternative transportation methods that could reduce our reliance on the road network. **We lack a coordinated transit network that allows Michiganders and visitors alike to be able to reliably use it to get from downtowns to suburbs and to connection points that will take them anywhere in the world.**

Finally, while Michigan has an advantage that our cost of living and housing prices are relatively low compared to the national

average, our current housing stock is insufficient, lacking in availability, location, size, layouts, system, amenities, and livability that many of today’s young renters and homebuyers are looking for (MSHDA 2022; MSHDA October 2023; Jones 2023; MSHDA March 2023).

Nearly half of all housing units in the state were built prior to 1970 and construction of new units in Michigan falls far short of current demand (MSHDA 2022). **Michigan added 22,000 new housing starts in 2022, but this amount still ranks sixth lowest in the nation** (Jones 2023).

### Building Permits in Michigan, 1960–2021



Source: Michigan Association of Planning 2023  
Labels: Single family, Multifamily

As a result, existing housing—historically, the main supply of housing for middle- and low-income families—is scarce. Additionally, for residents who cannot afford or choose not to own a home, finding a place to rent is becoming more difficult. **Between 2010 and 2019, the number of Michigan’s units for rent declined by 40 percent, far more than the national average (MSHDA 2022).**

## What We Can Do

“Start with this proposition: The most valuable natural resource in the 21st century is brains. Smart people tend to be mobile. Watch where they go! Because where they go, robust economic activity will follow.”—*Richard Karlgaard, Forbes Magazine (2003)*

Michigan’s economy, health, and future growth are built upon thriving communities that serve as magnets to attract talent and drive economic development. We know amenity- and opportunity-rich places are more likely to attract talent and then create the lasting bonds needed to retain residents in our neighborhoods. For Michigan to achieve this, we must finally develop regionally well-connected public transit systems and ensure that state and local development regulations facilitate the creation of climate-resilient, high-density, desirable neighborhoods that attract employers and employees. **Our premise is that by focusing on getting the fundamentals right—housing; transit; and climate-resilient, durable infrastructure—we can establish the foundation for which businesses and talent will seek to locate and drive further investment in thriving communities.**



## RECOMMENDATION

### Develop regional public transit systems

For Michigan to compete for jobs and talent, we need **a robust public transit system that functions well** within communities and seamlessly connects people to their jobs, their region, and to connection points around the world. The creation of rapid transit in our cities and more regionally tailored transit in our rural areas will ensure that Michiganders who choose not to or cannot afford to have a personal vehicle can be active, successful participants in our economy and communities. **Research shows that many young people would prefer to rely on public or nonmotorized transportation** rather than bearing the expenses of car ownership and are attracted to cities where it is possible to get to work, school, and amenities on buses or light rail (Brown et al. 2016). In addition, public transit is an investment in people who are prevented, by economic status, age, or physical disability, from driving.

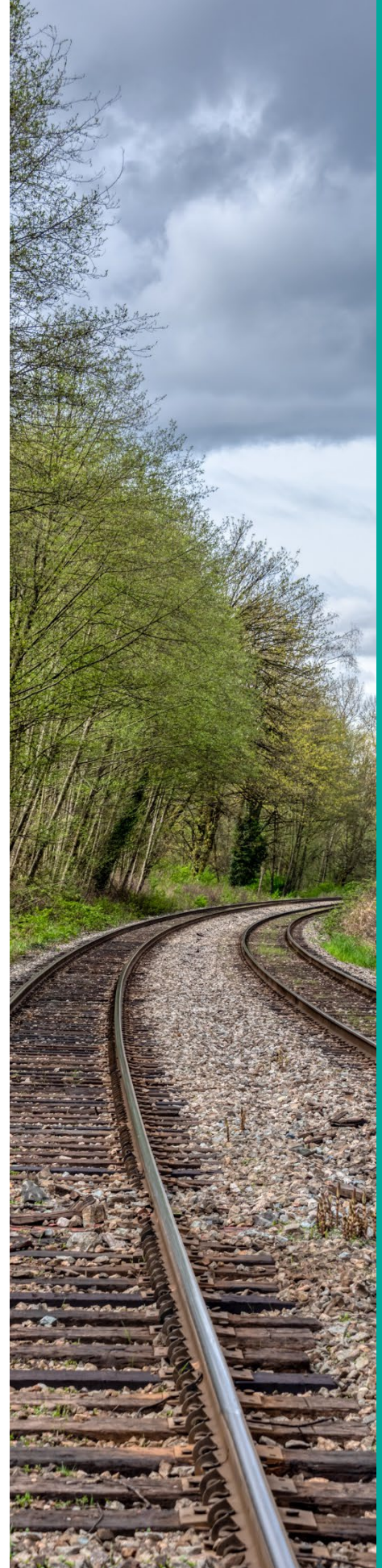
The legislature should authorize the creation of **regional transit authorities with the explicit mandate to develop integrated, sustainable regional multimodal transit networks that provide mobility for all of Michigan**. Building off the lessons and successes of Michigan's only regional transit authority, the Regional Transit Authority of

Southeast Michigan, the new transportation agencies should work with local road agencies to coordinate transit and road planning under one broad authority that works across multiple jurisdictions. The authorities should work with local governments, regional councils of government, and Michigan Department of Transportation (MDOT) to identify how to connect transit needs with workers and housing, ensuring transit options are tailored to meet the unique needs of the community, employers, and residents in that region. This should include **right-sized transit in smaller communities and bus rapid transit service along major corridors in large urban areas utilizing low-/zero-emission buses and high-speed networks to connect regions**. Additionally, when developing regional transit plans, community priorities such as safety, accessibility, and environmental quality should be incorporated.

In addition to the development of regional transit authorities, MDOT should work with passenger rail providers to support the development of a **more robust passenger rail system focused on connecting Michigan's regional population centers**, including development of new lines and increasing the frequency of the rail services.

**The following should be implemented within the short term to support the development of a more robust transit system in the state:**

- The legislature should create a group (including MDOT, road agencies, Regional Transit Authority of Southeast Michigan, regional councils of government, businesses, and cities) to build out the framework for regional transit authorities. This group should define the geographical boundaries, identify the scope of the authorities, provide a framework for how regional transit could function and meet different areas' needs, and propose a funding mechanism for regional transit across Michigan.
- The Michigan Infrastructure Office, in partnership with MDOT, should conduct a feasibility study on developing direct service between Grand Rapids and Detroit and improving service on the Wolverine line between Chicago and Detroit.



## RECOMMENDATION

### Develop and revitalize housing stock to meet Michigan's housing demands

Michigan's relatively low cost of living in comparison to other states is a competitive advantage as we compete in a global economy for talent and jobs. We must maximize this advantage through the implementation of a housing development strategy that **increases the supply of housing stock to support employees' growth and economic mobility and addresses the lack of desirable housing and housing availability** that has negatively impacted businesses' ability to recruit and retain staff. Developing and rehabilitating our housing stock to create more housing, denser housing and additional live-work options will better match the lifestyle preferences and housing demands of the talent we are trying to retain with through housing stock availability. Woven throughout the rehabilitation or building of our housing stock should be a focus on energy efficiency and reducing the cost of home ownership to create vibrant communities that will attract and retain talent. To achieve this, we must **modernize zoning codes to encourage mixed-use and smaller-sized housing, redevelopment of existing stock, complete-street and transit-oriented development, and other smart growth-oriented changes**. Changes to local laws are an important first step, as most zoning regulations in Michigan favor single-family homes and larger lot sizes,

which negatively impact the ability to create housing that aligns with preferences and needs.

#### Steps that can be implemented in the short term include:

- Provide incentives to local units of governments to update their zoning ordinances and master plans.
- Incentivize developers to build housing to meet the needs of low- to middle-income households, including rental and for-sale housing, by funding the gap between the cost to build or renovate missing middle housing and the market price.
- Expand equitable down-payment assistance programs to eliminate the barriers to homeownership, which is one of the most important ways to establish generational wealth and build roots in a community.
- Create a public-private lender collaborative, with involvement from community development financial institutions, to identify new ways to increase lending to low- to moderate-income home buyers.
- Provide tax credits for employers who invest in affordable housing to increase the supply of workforce housing in more rural areas where low housing supply is a more significant problem.

## RECOMMENDATION

Future-proof our infrastructure to ensure that it is reliable and resilient and that it serves as an asset to the economy

Finally, we need to **future-proof our physical infrastructure to ensure that as we invest in communities, we do so in a way that responds to a changing climate**. A prosperous future for Michigan is built upon resilient communities and infrastructure that can effectively adapt as Michiganders respond to climate change.

As vehicles become more fuel efficient, and Michiganders transition to hybrid and electric vehicles that rely less on gasoline, the **State needs to examine alternative dedicated funding sources to maintain Michigan's road infrastructure**, including vehicle miles traveled fees, tolling, and better utilization of public-private partnerships. Our road infrastructure network will continue to be a liability to our future economic mobility until the state can identify a long-term, sustainable solution that properly maintains our roads and depends less on gasoline sales.

Community leaders are facing down a changing climate, and when confronted with the flooding of homes, businesses, and streets, they are left with few (and very expensive) options to address large storm events and extreme heat.

As a state, **we must leverage opportunities for federal investments and state-federal partnerships in community-driven solutions for major climate-mitigating strategies**. Oftentimes, projects like the development of a seawall or increasing stormwater storage capacity require multiple jurisdictions and lack the critical coordination and support from the multiple government agencies necessary to be successfully implemented. We can also **leverage the desire for outdoor recreation and natural spaces with the need for more resilient communities** by incentivizing local communities to develop climate and resiliency action approaches to infrastructure and placemaking through better utilization and coordination of parks, trees, greenspaces, and water access. And because water, roads, and commerce do not end at jurisdictional lines, Michigan must incentivize **state and local entities responsible for infrastructure and public transportation to coordinate their efforts through service-sharing agreements or consolidation of local services**.



# Next Steps for Ensuring Momentum

The recommendations stand on their own, but a problem as significant as changing the momentum of 50 years of declining outcomes for Michiganders cannot be changed by simply recommending a reformed education system, a more future-focused economic development strategy, or better places to live. Each of these strategies requires a rebuilding of the structures, resources, and institutions on which implementation relies.

As the report highlights, there are structural (laws, policies, and systems), constitutional (organization and structure at all levels of government, tax structures, and the functional roles of government agencies), and funding (revenue and expenditures) challenges that must be addressed if we are to fulfill our vision to make Michigan a top-ten state. The council's work thus far has unmasked the problem and provided some key strategies to rebuild our state, but there is more that must be done for these strategies to be fully realized. As a council, we believe the third element in the graphic below would strengthen the implementation of our recommendations and potentially uncover additional reforms necessary for Michigan.



## Building Michigan's Future

1

### Unmasking the Challenges

In-depth analysis of the problem

2

### Pathways to Progress: Actionable Recommendations

- Build a lifelong education system focused on future-ready skills and competencies
- Establish Michigan as Innovation Hub of the Midwest and America's Scale-up State
- Create thriving, resilient communities that are magnets for young talent

3

### Ensuring Momentum: Paving the Way for Michigan's Future

- Structural policy assessment
- Detailed financial modeling and funding assessment
- Next steps for building consensus and public support

## Paving the Way for Michigan’s Future: Structural Policy Reforms

We recommend a structural policy analysis of the underlying systems, processes, laws, and institutions that have been long-time barriers to tackling challenges in our state, in order to power a successful transformation. The council has identified a core set of challenges that Michigan faces. Addressing them will require a complete retooling of government systems and institutions. To inform this process, we recommend:

- Clearly identifying the structural and constitutional impediments that may prevent fully implementing the recommendations (e.g., governance structure of schools, tax policy, land-use policies, structure of the economic development, etc.).
- Comparing Michigan’s policies with those of faster-growing and higher-median-income states. This comparison should examine the overall structure of government institutions and the regulatory structures in which they operate, with particular emphasis on education, economic development, land-use, and infrastructure policies that have endured through growth and political changes.
- Fostering a more comprehensive understanding of how Michigan can leverage our knowledge, skills, and physical assets to build a focused, sustained, and diverse economic growth plan upon Michigan’s competitive advantages. Our historic reliance on automotive manufacturing and the impact of sector decline highlight the need to accelerate efforts to diversify Michigan’s economic base in sectors like technology, healthcare, advanced manufacturing, and green energy to grow high-wage jobs.





## Securing Our Investments: Detailed Financial Modeling and Funding Assessment

The council's timeline and council members' expertise did not allow for the detailed exploration of how the systems, once rebuilt to function most effectively in a 21st-century economy, should be funded; however, numerous other reports explore the funding of our education systems and infrastructure. As a council, we did not believe it would be responsible for us to publish a specific estimate when our recommended strategies require systematic changes. For example, our education-related recommendations propose the creation of a new system, the cost of which will need to be assessed relative to the current system.

**Thus, the council recommends the governor and legislature, or another oversight body with the expertise and capacity, conduct a return-on-investment analysis to fully assess the potential financial impact of each recommendation.** Once that analysis is complete, the following actions should be undertaken to fund each recommendation:

- **Optimize government spending:** The state budget should prioritize funding the fundamentals of making Michigan a place to get a solid education, grow a business, and raise a family. As such, the first step of funding these recommendations should be identifying ways in which government operations and spending can be optimized to deliver upon the recommended strategies. In addition to optimizing the current levels of government spending, policymakers and agency leaders should also identify if there are ways to collaborate, share services, or consolidate in order to implement the recommendation and better serve Michigan residents.
- **Maximize federal resources:** Thoroughly explore available federal funding options and ensure that Michigan is capturing every dollar available to fund the program.
- **Catalyze private-sector collaboration:** Investigate how private-sector and philanthropic contributions can be harnessed more effectively. Identify if programs can be better managed and services delivered more effectively through the private sector. Make strategic requests to Michigan's philanthropic community to support recommendation implementation.
- **Reassess tax policy:** Analyze current tax policies for their impact and propose balanced adjustments to better utilize existing state and local resources.
- **Consider revenue-generation strategies:** If it is found that after redesigning, rebalancing, and maximizing existing resources that additional revenue is needed to ensure long-term recommendation success, the legislature and governor should consider new tax proposals carefully, balancing inflation pressures with the need to secure our future.

## Public Engagement Campaign

The council's work to expose the challenges Michigan faces and their impact on population and the subsequent strategies we have put forward to rebuild Michigan must continue to engage the public and a wide array of stakeholders to ensure an inclusive, forward-looking strategy that meets the needs of all Michiganders. We believe the strategies and recommendations transcend partisan divides and put us on a path to create prosperity for all Michiganders, regardless of zip code, household income, race, or any other identifying factor. We know Michiganders of color are critical to our future and have faced even greater historic inequity of outcomes, and as such, their voices and experience must significantly inform this implementation.

## Evaluation Framework

Finally, an evaluation framework should be developed to track the progress and assess the impact of our recommendations. We believe that this should be accompanied by the identified key metrics and should be routinely updated to keep Michiganders apprised if we are on the right track. Our recommendations' success won't be felt overnight or even next year—they put Michigan on a long-term path for a more prosperous future that will take the dedication of not only this administration and this legislature, but the commitment and belief of the next. We must follow through on the implementation of this report to do right for the future of Michigan.



**GROWING  
MICHIGAN  
TOGETHER**

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# **Appendix A: Executive Order 2023-4: Growing Michigan Together Council**

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# Appendix B: GMTCC Charge and Operations

## GMTCC Charge

On June 1, 2023, Governor Gretchen Whitmer announced the creation of the Growing Michigan Together Council and the appointment of Amb. John Rakolta, Jr., Chairman and CEO of Walbridge, and Governor Shirley Stancato of Wayne State University to chair the council. In the following weeks, Governor Whitmer appointed 24 additional members, resulting in a total of 26 stakeholders (20 voting members and six nonvoting members), who represented Michigan's population and were committed to the state's long-term future. These stakeholders were tasked with producing recommendations to grow Michigan's population through investments in our people, places, and educational system.

Per Executive Order 2023-4, the council was charged with advising the governor and the director of the Michigan Department of Labor and Economic Opportunity on the following specific tasks:

1. Identify concrete, data-driven, and evidence-based goals to grow the state's population, improve educational outcomes from preschool through postsecondary education, attract and retain talent, and build long-term, sustainable infrastructure that meets the needs of the population
2. Define the gap between Michigan and the best performing states on the goals identified by the council
3. Identify specific short-term, medium-term, and long-term policies needed to close these gaps and meet the goals identified by the council
4. Analyze the effectiveness of existing programs and spending dedicated to achieving the goals identified by the council and make recommendations on how to address any gaps between projected revenues and recommended expenditures

To develop these recommendations, the council was tasked with establishing four unique workgroups that would research and draft recommendations for council consideration. Workgroups included:

1. **Jobs, Talent, and People:** Focused on strategies to grow Michigan's population, workforce, and economy through investments in business and talent attraction and retention
2. **Infrastructure and Places:** Focused on infrastructure and place investment
3. **PreK-12 Education:** Focused on reforms to the PreK-12 education system
4. **Higher Education:** Focused on postsecondary education and career readiness

Upon completion of the research and analysis directed above, the council was charged with submitting a final report to the governor, the Michigan House of Representatives, and the Michigan Senate by December 1, 2023. The date of delivery was subsequently extended to December 15, 2023, to provide the council with additional time to review the wide breadth of data necessary to complete its report.

## GMTC Operations

Per Executive Order 2023-4, all GMTC members were appointed by the governor to reflect Michigan's socioeconomic, racial, ethnic, cultural, gender, occupational, political, and geographic diversity. The Michigan Department of Labor and Economic Opportunity was directed to provide support to the GMTC, who were further empowered to call upon any department, committee, commissioner, or officer of the State of Michigan to assist in the performance of the GMTC's official duties.

To develop its recommendations, the GMTC was authorized to make inquiries, perform studies, hold hearings, and receive comments from the public while reviewing best practices from other states and consulting with public- and private-sector issues experts. Following a brief meeting on June 30, 2023, to allow GMTC members to meet their colleagues, the GMTC officially kicked off its responsibility on July 13, 2023, holding ten additional meetings through December, culminating in the delivery of final recommendations to the governor and legislature on December 14, 2023.

GMTC members reviewed data and received presentations from state and national experts on numerous policies related to population growth and retention. A comprehensive list is available for review online at <https://growingmichigan.org/council/>.

# Appendix C: GMTC Meetings Timeline

All presentations can be accessed at [www.growingmichigan.org](http://www.growingmichigan.org)

## **June 30: Introductory meeting**

## **July 13: Organizational meeting**

- Presentations on population trends and workgroup topics
  - Presentations from Citizen Research Council of Michigan
  - Presentation from Public Sector Consultants
  - Presentation from Boston Consulting Group
  - Presentation from National Center on Education and the Economy
- Established workgroup selection strategy

## **September 12: Updates from workgroups**

## **October 12: Workgroup recommendations**

- Public engagement update
- Workgroup recommendations report outs

## **November 2: Presentations on population growth drivers**

- Presentation from Citizens Research Council of Michigan
- Presentation from Michigan Future, Inc.
- Presentation from Richard Florida
- Draft recommendation review

## **December 1: Fiscal impact assessment**

- Presentation from Guidehouse on Michigan's fiscal and demographic trends

## **December 14: Council vote on the GMTC report**

- Submission of report to governor and legislature

# Appendix D: Workgroup Membership

## Jobs, Talent, and People

**Portia Roberson (Chair)**, Focus: HOPE  
**Marty Fittante (Chair)**, InvestUP  
**James Avery**, Genesee County Jobs  
**Abby Baudry**, Traverse Connect  
**Jeannette Bradshaw**, Metro Detroit AFL-CIO  
**Stacie Bytwork**, Manistee Area Chamber of Commerce  
**Guillermo Cisneros**, West Michigan Hispanic Chamber of Commerce  
**Eva Garza Dewaelsche**, SER Metro-Detroit  
**Ahmad Ezzeddine**, Wayne State University  
**Adam Finkel**, Orfin Ventures  
**Ken Horn**, Great Lakes Bay Regional Alliance  
**Dr. Alaina Jackson**, Global Detroit  
**Ahmad Nassar**, Detroit 75 Kitchen  
**Kevin Prokop**, Rockbridge Growth Equity  
**Monique Stanton**, Michigan League for Public Policy  
**Randy Thelen**, The Right Place  
**John VanFossen**, Meijer

This workgroup was staffed by Public Sector Consultants.

## PreK–12 Education

**Karen McPhee (Chair)**, Education Leadership Consultant  
**Chandra Madafferi (Chair)**, Michigan Education Association  
**Patrick Anderson**, Anderson Economic Group  
**Amber Arellano**, The Education Trust—Midwest  
**Beth Correa**, Detroit Public Schools Foundation, Flagstar Bank  
**Nancy Danhof**, Todd Martin Development Fund  
**Imani Foster**, 482Forward  
**Armen Hratchian**, Teach for America  
**Ja'Nel Jamerson**, Flint Center for Education Excellence  
**Andy Johnston**, Grand Rapids Chamber  
**Tina Kerr**, Michigan Association of Superintendents and Administrators  
**Steve Kircher**, Boyne Resorts  
**Scott Koenigsnect**, Clinton County Regional Educational Service Agency  
**Donna Lasinski**, Michigan Future Inc.  
**Terrence Martin**, American Federation of Teachers  
**Kevin Polston**, Kentwood Public Schools  
**Angelique Power**, The Skillman Foundation  
**Alice Thompson**, BFDI Educational Services

This workgroup was staffed by National Center for Education and the Economy.

## Infrastructure and Places

**Terri Lynn Land (Chair)**, Wayne State University  
**Regine Beauboef (Chair)**, HNTB Corporation  
**Mike Alaimo**, Michigan Chamber of Commerce  
**Ron Brenke**, American Society of Civil Engineers—Michigan  
**Kerry Duggan**, SustainabiliD  
**Rian English-Barnhill**, Olympia Development of Michigan  
**Lottie Ferguson**, Community Foundation of Greater Flint  
**Larry Filson**, Walbridge  
**Rachel Gray**, Hello West Michigan  
**Ron Hall**, Bridgewater Interiors  
**James Hammill**, Iron Range Consulting and Services  
**Melvin Henley**, Community Economic Development Association of Michigan  
**John Proos**, JP4 Government Solutions  
**Herasanna Richards**, Michigan Municipal League  
**Aidan Sova**, City of Ann Arbor Human Rights Commission  
**Emily Thompson**, Wayne State University  
**Evan Weiner**, Edward C. Levy Corp.

This workgroup was staffed by Public Sector Consultants.

## Higher Education

**Dr. Bill Pink (Chair)**, Ferris State University  
**Russ Kavalhuna (Chair)**, Henry Ford College  
**Carla Bailo**, Kettering University  
**Bryan Barnhill**, Ford Motor Company, Wayne State University Board  
**Dr. Curtis Ivery**, Wayne County Community College District  
**David Egner**, Ralph C. Wilson, Jr. Foundation  
**Ryan Fewins-Bliss**, Michigan College Access Network  
**Dr. Kirsten Herold**, AFT Michigan  
**Emily Hoyumpa**, ASMSU  
**Dr. Richard Koubek**, Michigan Technological University  
**Dr. Edward Montgomery**, Western Michigan University  
**David Nyberg**, Northern Michigan University  
**Doug Ross**, Diploma Equity Project  
**Fatima Salman**, University of Michigan, Muslim Community Council  
**Jim Sawyer**, Macomb Community College  
**Kevin Stotts**, TalentFirst  
**Khary Turner**, Coleman A. Young Foundation  
**John Walsh**, Michigan Manufacturers Association  
**Alex Zhang**, Zhang Financial

This workgroup was staffed by Boston Consulting Group.



# Appendix E: Workgroup Summary and Process

## Workgroup Charge

To support the development of actionable recommendations to achieve the GMTC's vision, the council established four workgroups with unique responsibilities as outlined by the executive order. Workgroups and their individual responsibilities included:

- **Jobs, Talent, and People:** Utilizing the GMTC-established population goal for 2050, propose economic development strategies that create safe, vibrant communities and lead to opportunities and upward economic mobility for every Michigander. The policy recommendations must drive concrete, equitable investments that:
  - Ensure domestic migration to Michigan (a combination of retaining our young talent and attracting talent to come to Michigan) as well as international migration to Michigan (creating welcoming pathways for new Americans)
  - Give direction on how to leverage Michigan's rich natural resources and expected climate migration from other states
  - Identify potential future workforce shortages and strategic opportunities for Michigan's growth and create targeted programs to keep or attract talent in these areas
  - Reflect the state's growth in communities of color
- **Infrastructure and Places:** Propose long-term, sustainable, and equitable funding solutions for Michigan's multimodal transportation systems and aging water infrastructure to help meet the 2050 population goal identified in the report. Recommendations must:
  - Consider the need for placemaking investments that will support retention and attraction goals
  - Consider the need for sustainable investment among the emergence of more fuel-efficient vehicles and an unprecedented influx of one-time federal money
  - Propose solutions on how to create attainable housing options for Michiganders in every income bracket and create investment-ready sites across the state
- **PreK-12 Education:** Propose statewide goals and policy recommendations on how Michigan can improve student outcomes to help every student reach their full potential, strengthen accountability to meet shared goals, and attract people and businesses to our state. The workgroup must:
  - Benchmark Michigan's statewide performance against top-performing states and countries

- Develop specific initiatives that help guarantee every child can realize their full potential in Michigan, allowing them to be lifelong Michigan residents
- Ensure Michigan's preK–12 system is an asset in achieving our population-growth goals
- **Higher Education:** Propose long-term, sustainable, and equitable funding solutions for Michigan's postsecondary education system, including student financial aid, to help meet the 2050 population goal identified in the report. The workgroup must:
  - Consider the need to improve college access and success, lower costs, and provide education and training that meet the demands of the state's economy
  - Consider and build on the existing efforts within the Office of Sixty by 30 and make recommendations to achieve and exceed this goal
  - Propose solutions to retain talent in the state at the critical transition point after graduation

## Workgroup Activity Summary

GMTC chairs selected workgroup members with the goal of cultivating a diverse set of perspectives, subject matter expertise, and a commitment to working collaboratively on advancing strategies that support the GMTC's charge. Two co-chairs led each group and were responsible for encouraging workgroup members' participation and engagement, coordinating data and research requests, and drafting workgroup recommendations.

Workgroups conducted a total of 31 meetings between August and October 2023 to collect information, analyze data, prioritize policy goals, and formalize recommendations. Each workgroup approached these tasks in a manner unique to the leadership style of its co-chairs. Workgroup responsibilities culminated in the presentation of final recommendations to the GMTC on October 12, 2023.

The following chart outlines the timeline and activities of each workgroup.

Workgroup	Date	Activity
Jobs, Talent, and People	Aug. 14	Held organizational meeting with grounding data presentations on Michigan's population trends and current job-creating strategies from the MEDC.
	Aug. 22	Discussed workforce shortages, with presentation from LEO on Michigan's current workforce development efforts. Members developed initial workforce shortage recommendations.
	Aug. 29	Discussed talent attraction and retention, with presentation from Business Leaders for Michigan. Members developed initial talent attraction and retention recommendations.
	Aug. 31	Held field hearing in Traverse City.

<b>Workgroup</b>	<b>Date</b>	<b>Activity</b>
	Sept. 7	Received presentation on best practices for addressing workforce shortages and attracting and retaining talent. Reviewed concepts from preceding meetings and generated recommendation ideas focused on growing Michigan's attractiveness.
	Sept. 20	Reviewed and refined recommendations developed through the first four meetings to identify gaps and ensure alignment with the executive order.
	Sept. 25	Prioritized final recommendations and further refined recommendation details.
	Oct. 2	Approved final recommendations for submission to the GMTC.
	Aug. 18	Held organizational meeting, including a grounding presentation on the connection between infrastructure and place and population growth.
	Aug. 25	Received presentations on placemaking and housing from the American Planning Association, Michigan State Housing Development Authority, and Citizens Research Council. Developed initial placemaking recommendations.
	Sept. 8	Reviewed transportation and mobility trends, including presentations from the Michigan Department of Transportation, HNTB, and Denver International Airport. Developed initial transportation recommendations.
Infrastructure and Places	Sept. 13	Examined the current state of Michigan's water infrastructure, including presentations from the Great Lakes Water Authority and Southeast Michigan Council of Governments. Developed initial water infrastructure recommendations.
	Sept. 15	Reviewed the comprehensive list of recommendations developed via the preceding three meetings and began the process refining recommendation details.
	Sept. 22	Refined draft recommendations and prioritized top recommendations for final development.
	Sept. 27	Held field hearing at Wayne State University.
	Sept. 29	Approved submission of recommendations to the GMTC.
	Aug. 16	Held organizational meeting and reviewed data from globally top-performing preK-12 systems.
PreK-12 Education	Aug. 25	Examined Michigan against international benchmarks for proficiency-based learning systems (e.g., graduation standards, student assessment, curriculum,

<b>Workgroup</b>	<b>Date</b>	<b>Activity</b>
		and early learning). Members developed associated recommendations.
	Sept. 7	Reviewed Michigan's performance on teaching and learning outcomes against international benchmarks (e.g., teacher recruitment, school organizational structures, student learning environments). Members developed associated recommendations.
	Sept. 13	Reviewed data on Michigan's school governance, accountability, and funding structures against international benchmarks. Members developed associated recommendations.
	Sept. 27	Prioritized and refined recommendations developed during the preceding three meetings.
	Oct. 2	Approved final recommendations for submission to the GMTC.
Higher Education	Aug. 14	Held organizational meeting with grounding data presentations on Michigan's population trends and opportunities for higher education to support growth.
	Aug. 18	Received presentation of baseline higher-education data in Michigan, discussed workgroup priority focus areas, and brainstormed initial recommendation ideas.
	Aug. 25	Established agreement on five primary opportunity areas during a student's journey and generated more recommendations.
	Aug. 30	Reviewed list of initial recommendation ideas and prioritized based on impact.
	Sept. 7	Reviewed and prioritized proposed recommendations to build out in greater detail for submission to the GMTC.
	Sept. 15	Selected top-priority recommendations and refined recommendation details.
	Sept. 25	Continued prioritizing and refining recommendations.
	Sept. 27	Held field hearing at Grand Valley State University.
	Sept. 29	Approved final recommendations for submission to the GMTC.

Following the development and approval of final recommendations, workgroup chairs presented their groups work to the GMTC during a public meeting on October 12, 2023. Workgroup recommendation presentations from the meeting can be viewed on the GMTC website at: <https://growingmichigan.org/council/> .

# Appendix F: Public Engagement

## Public Engagement Summary

In parallel to the policy research conducted by the GMTC and its workgroups, Michigan's chief growth officer, Hilary Doe, and her team led a three-month statewide public engagement campaign from August to November 2023. The public engagement effort sought to collect ideas and honest feedback on the challenges and strengths of Michigan's communities and gain a better understanding of what motivates young people across the country to relocate and what they look for in a new city to call home. To collect this information, three tools were deployed, including:

- In-person and virtual community events
- Survey of Michiganders (attending community events and online)
- National poll targeting young people focused on the factors they consider when selecting a place to live

## Engagement by the Numbers

**3,000** individuals attended in-person and virtual community events at more than **70** geographically diverse locations across Michigan.

**11,000** Michiganders responded to the in-state survey, **1,000** were generated directly from the community events.

**2,700** young people from **15** metropolitan areas across the country responded to the national poll.

## Report

In November 2023, a final report highlighting the data collected from the public engagement efforts was published for public review. The full report, including detailed survey and polling data, can be accessed online at <https://feedback.growingmichigan.org/>.

### Michiganders' Top Priorities

**30 percent** want improved infrastructure

**13 percent** want better career and education opportunities

**12 percent** want more accessible and available housing

### National Respondents' Top Reasons for Considering a Move

**58 percent** said a new job or educational opportunity

**45 percent** said new experiences

**30 percent** said cost of living