

GROWING MICHIGAN TOGETHER

Workgroup Priorities.



Overview



- **Feedback sessions across the state**
 - Stakeholder meetings and listening sessions
 - So far, majority representation 18-34 because of where we are in the schedule, with strong representation in 35-45 as well
 - Michigan residents have been primary group engaged
 - Aiming for broad diversity across all dimensions
- **Plan to host or attend 70+ events between end of August and council recommendations**
- **Polling focused on population-growth drivers**
 - Results should be available mid-next week
 - Focused on young people and families across the country re what would cause them to consider a place they hadn't thought of / Michigan specifically as a place to call home

Early results



Public engagement feedback

- **What do you love most about Michigan**
 - Natural beauty / outdoor recreation has risen to the top ;
- **Critical to attraction / retention**
 - Economic incentives – opportunities and shared prosperity
 - Specific job training to what employers want
 - More and more diverse job opportunities (multi-sector job growth)
- **Infrastructure requirements:**
 - Actual progress on roads – investment but not repeating every year
 - Transit / multi-modal transportations in cities they want to call home (mentioned cities like SD)
 - Housing on the board but lower than transit / transportation

Stakeholder meetings :

- **Housing top priority**
 - Support workforce, requirement for growth
 - #1 driver in cost of living ; we want to maintain affordability
- **Space for regional specific strategies**
 - Regional-specific retention and attraction of different folks
- **Importance of story-telling, marketing**
- Critical importance of a more **well trained and well-educated workforce that stays here in the state for business and job opportunity growth**
- **Childcare as a priority** for families & labor force participation



POLICY IDEAS
in support of GMTC workgroup priorities

I. Housing package



OPTIONS FOR CONSIDERATION

Housing Opportunity Program

- **Michigan Homeownership Reinvestment Act – I&P**
 - Establishes grant program to cover the value gap between how much a house costs to build/renovate and the price.
 - Eligible purchasers must have incomes at or below 140% of the area/state median income.
 - Funding: RETT increase
 - Costs: \$100-150 million annually
 - RETT increase of .25% raises \$130MM
- 1. **First time homebuyers downpayment incentive (retention / attraction incentive)**
 - Could be tied to RETT, with an additional .25%
 - Option for revolving loan fund to replenish and grow housing funding going forward
 - Potential for rural opportunity zone specifications

Combined with creating a tool that aggregates all financial support options for MI homebuyers as part of an onboarding experience

- **Rural Workforce Housing matching grant I&P**
 - 20-30% matching grant to qualifying employers for production of new housing units or investment in housing production.
- **Regional Housing Partnerships Field Staff deployment**
 - One dedicated field staff (assigned to each region under the Statewide Housing Plan)
 - Zoning support for local govts
 - Connect communities to housing resources
 - Housing project conception and early predevelopment work
 - Funding: State General Fund

II. Transit package

OPTIONS FOR CONSIDERATION – FUNDING OPTIONS

Summary of 20-Year Estimated Costs and Potential Revenues

Revenue/Expenses	Amount
\$0.0075 Local Sales Tax*	\$16.40B
Rapid Transit Capital/Operating	\$15.60B
Local Connected transit services**	\$0.80B

* Wayne, Oakland, Macomb, Washtenaw, Genesee, Ingham, Kent, Ottawa Counties. Additional counties could be considered based on transit service levels.

** Local connected services include transit frequency improvements and time extensions

Revenue/Expenses	Amount
\$0.003 Statewide Sales Tax	\$10.20B
Intercity Rail Capital/Operating*	\$9.0B
Capital/Operating Contingency	\$1.2B

*No estimated state operating funding required.

Menu of Other Revenue Options	Amount
1 Mill Local Property Tax*	\$4.38B
\$1/1,000 Vehicle Value Statewide Vehicle Registration Tax	\$4.44B
\$1/1,000 Vehicle Value Local Vehicle Registration Tax*	\$2.76B
FTA Capital Investment Grants Program	\$7.34B
Other Federal Grants	\$0.20B
Value Capture/Joint Development	TBD

* Wayne, Oakland, Macomb, Washtenaw, Genesee, Ingham, Kent, Ottawa Counties. Additional counties could be considered based on transit service levels.

III. Talent retention & attraction package

1. Guaranteed PK-14

- 2 years of college at any institution in MI
- Estimated additional cost \$50-100M to start--**HE**
 - *HE-driven funding source*

2. Reverse Scholarships for retention in MI post graduation – **HE / JTP**

- Out of state students and Michiganders can receive “reverse scholarships” via upfront loans that are forgiven over time (1/5, 1/10) for residency (and employment) in the state post-graduation (need a cost estimate) ; It would attract more students to Michigan colleges and universities and create a way to keep them here after college long enough to establish a career.
- Additional forgiveness (up to 100%) for relocation to rural areas (rural opportunity zones) or working in areas of critical workforce gaps (re-assessed regularly)—*see talent attraction and workforce recommendations for non-scholarship incentive option*

3. Place to call home – pathways to putting down roots in Michigan

- Homebuyer downpayment assistance to support attracting folks to Michigan, retention of our young folks, and workforce development in certain fields – **I&P**
- Guaranteed childcare options for Michiganders – **JTP / PK-12**
- An increased child tax credit for graduates who start families while living and working in Michigan - **JTP**

III. cont. Childcare

CARE YOU CAN COUNT ON

- Low or no cost care for families earning up to \$75,000
 - Low or no cost care for infants and toddlers (up to \$12,500)
 - Free PreK and low or no cost before and after care for 4-year-olds
 - Low or no cost before & after school care for K-7 (up to \$3,700)
- More childcare options that meet families' needs
 - Partner with communities to analyze and identify childcare gaps on an ongoing basis
 - Open more programs by lowering costs for childcare entrepreneurs (continue Caring for Mi Future)
 - Make it easier to operate by streamlining childcare licensing – while not sacrificing health and safety standards for kids
 - Expand access to before and after school in your school district by helping districts offer care from 7am- 6pm

III. cont Childcare

CARE YOU CAN COUNT ON

- Better pay for care professionals
 - Convene a taskforce to create a “Model Salary Schedule”
 - Set payment rates to allow providers to pay according to the Model Salary Schedule
 - Require better wages when state rates support a living wage
- Partnerships with employers
 - Create more options to save for care (for all ages) pre-tax by incentivizing employers to launch Dependent Care Savings Accounts
 - Establish CARE4Work (Childcare Assistance, Research, and Education Hub for Workplaces) to help employers assess and respond to employee childcare needs

III. Talent retention package

WORKFORCE RETENTION FOR MICHIGAN'S FUTURE

- **More details on Reverse Scholarship to Attract & Incentivize MI Grads to Stay & Work in Michigan- **JTP / HE****

A reverse scholarship where the state could provide a loan in the form of an upfront discount on tuition at public universities for both in state and out of state students that would be forgiven in 1/5 or 1/10 increments in every future year when the graduate has residency and employment in Michigan. It would attract more students to Michigan colleges and universities and create a way to keep them here after college long enough to establish a career.

IV. Talent attraction effort

GROWING MICHIGAN'S TALENT

- **State Licensing Reciprocity Expansion – JTP**
- Regional concierge service(s) to navigate housing, incentives, local supports – *see housing package & economic development package*
 - E.g. Onboarding to Michigan
- **Talent attraction package – 21st century opportunity in MI**
 - Out of state students and Michiganders can receive “reverse scholarships” via upfront loans that are forgiven over time (1/5, 1/10) for residency (and employment) in the state post-graduation (need a cost estimate) ; It would attract more students to Michigan colleges and universities and create a way to keep them here after college long enough to establish a career.
 - Additional incentives for college and non-college individuals who relocate to rural areas (rural opportunity zones) or work in areas of critical workforce gaps (e.g. construction workers, health workers, public sector employees, etc.)
 - Workforce gaps re-assessed regularly
 - Incentive options could be 1) wage subsidy (w career development) 2) loan forgiveness, 2) eligibility for downpayment program incentives, or 3) 100% income tax forgiveness for a period of time (e.g. Kansas Rural opportunity zone program)

VIII. International migration package

WINNING WITH WELCOMING

- To increase international migration percentage from 2 – 3% and increase our >3-year retention of international students and immigrants in Michigan.
- A Welcoming place to call home **JTP**
 - Virtual platform and ecosystem that connects new Michiganders to resources and community-based services
 - More robust funding for language access and legal services.
 - Skilled newcomer retention - Regional resource navigators to assist immigrants and high-demand worker assistance securing permanent employment and residence.
 - Driver's License for All – regardless of immigration status.
- Targeted campaigns in Michigan and out-of-state immigrant communities to connect new and potential Michiganders with resources on Visas and employment opportunities.
- Employer-based initiative that provides technical assistance on international recruitment and retention. **JTP**

VIII. International migration package

WINNING WITH WELCOMING

- University attraction and retainment initiatives **HE**
 - Increase visa disbursement
 - Investment in an initiative that creates a direct connection between universities and employers to retain international talent in Michigan
 - Incentives: In-state tuition or stipend for a commitment to “stay” in Michigan for 3+ years and facilitation of direct connections between international students and housing opportunities.
- Expansion of visa attainment opportunities
 - Incentivize employers to sponsor individuals for H-1B visas .
 - Increase annual quotas for employment-based immigrant and non-immigrant visas
 - Other via actions for agriculture? Attraction programs for those workers?

V. Economic Development for the 21st century

INVESTING IN MICHIGAN'S GROWTH STRATEGY & STORY

- **Ongoing economic development funding** to ensure consistency and predictability
- **Population growth focused expansion of marketing efforts** beyond Pure MI to tell broader stories and support retention / attraction efforts
 - Committed stream of funding to support growth marketing efforts
 - Flexible funding could include brand lift work, remote workers, talent attraction, ambassadors etc.
 - First in the nation onboarding and funnel creation ; target 'boomerangs' and high-priority audience
 - **Regional funds for localized growth efforts** (could be marketing or other growth pilots), includes administrative support
- **Entrepreneurship Fund** : Other states, including those in the MW, have invested substantially in E&I to ensure entrepreneurs, high-growth companies can grow in MI. Almost all new job growth comes from these younger companies
 - Broader angel & scaling fund(s) with ex-pat and broader community investment, with state-side 'seed'
- See **Going Pro / workforce** package(s)

VI. Workforce supports

WORKFORCE FOR MICHIGAN'S FUTURE

- **Fund workforce activation fund JTP**
 - For Stellantis, LEO pulled from limited flex funding to ensure they had 5K workers ready to start Day 1. Establishing a flex fund would allow us to do the kinds of training and support services that the federal dollars won't let us do. This is the piece that we're missing
- **Fund Going Pro expansion JTP**
 - **Going Pro** is one of the most effective training programs we have. Employers love it. Double available funding and shift to rolling/more frequent award cycles, to show existing / prospective employers we're serious partners to help meet workforce needs while also moving us toward our 60x30 goal.
- **21st Century Worker Transition Fund - JTP**

Transition support fund to support workers affected by the EV transition via retraining and education programs, temporary insurance coverage, counseling, relocation fees, and short-term wage replacement if workers lose their incomes before finding a new job or before they are eligible for full retirement benefits.

VI. Workforce supports

WORKFORCE FOR MICHIGAN'S FUTURE

- **Young Professionals Plus – PreK-12 / HE**

The Young Professionals initiative aims to reduce youth unemployment and place young adults, ages 14 to 24, on a path to economic self-reliance. The initiative helps these young adults to obtain employment by exposing them to multiple career and educational opportunities. Young Professionals Plus would allow young people to engage in a meaningful connection to employers and participate in a skill building work experience. More specifically, it will support activities such as paid work experiences.

VII. Equity + Opportunity package

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ENSURING ALL MICHIGANDERS CAN ACCESS 21ST CENTURY OPPORTUNITY & A GROWING LABOR FORCE

Individual supports – Ensuring opportunity for every Michigander

- Energy assistance
 - Streamline and expand programs
 - Provide discounted utilities for up to two years
- Health equity recommendation
- Re-entry program that begins while still incarcerated and fills gaps until Clean Slate eligible.
 - Targeted job skill training (employer buy-in to establish pathway would be helpful)
 - Connect with external resources as release date approaches (mental health, housing, employment, etc.)
- Childcare – see talent attraction / retention package
- See “Fund Going Pro Expansion”
- See “21st Century Worker Transition Fund”

Community Supports: Making Every Community Growth Ready via a Community Economic Transition Fund – JTP

The benefits of the economic transition may be distributed unevenly. To create an economic future where every community will thrive, we can provide needed assistance to communities, both urban and rural, that have already fallen behind and are suffering from persistent labor market challenges, lack of investment, and overall economic distress.

The Community Economic Transition Fund would assist communities, businesses, and local governments in developing and implementing plans to address the economic dislocation associated with the past or future closing of a facility that is a major employer. **This is a one-time fund** designed to respond specifically to the economic transition, including the ICE to EV transition. The fund would leverage regional funds and private/philanthropic funds.

VII. Alt: Communities package

ENSURING ALL MICHIGANDERS CAN ACCESS 21ST CENTURY OPPORTUNITY &
A GROWING LABOR FORCE

Growth Funds for Michigan's Future:

- Regional funds for growth pilots / investments
 - Placemaking investments (transit / housing) with allocated funding (outlined in transit and housing sections)
 - Regional marketing efforts and growth pilots (applied out of a centralized fund)
- Investments targeted at communities most poised for population growth and strategic placemaking investments

**separate effort from individual attraction and retention programs*

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VIII. Rural package

WORKGROUP PRIORITIES

Attraction incentives

- **Michigan Rural Incentive Program options JTP**
 - For attracting to rural opportunity zones, a variety of incentives:
 - Financial - up to a \$20,000 repayment, exempt from state taxes, over a five-year period for qualifying applicants to cover student loan, housing, or childcare cost, supplementary wage (for lower-wage jobs / public sector)
 - Incentives targeted at certain career areas as well (supplementary wage) (e.g. veterinarians)
 - Additional benefit opportunities - 2-year complimentary state recreation passport and 2-year complimentary basic hunting/fishing license through a partnership between the Office of Rural Prosperity and the MiDNR
- **See regional funds for transition and regional funds for marketing JTP**
- **Pure Michigan – Natural beauty and outdoor rec package:**
 - Conservation – collecting recommendations
 - Industry-development (e.g. freshwater, outdoor recreation) – could apply in regional development fund grants (for marketing or pilot programs to grow the state) – see economic development package
 - DNR CCC program – young folks trained in a trade (e.g. conservation, construction, infrastructure), siting renewables, supported by federal dollars to kick off the effort
 - MS earmarks a .8% of sales tax revenue for conservation efforts

VIII. Rural package

WORKGROUP PRIORITIES

- **Rural Jobs and Capital Investment Program fund reappropriation**
 - \$6.5M appropriated into the fund to serve as matching capital to Small Business Investment Corporations and Rural Business Investment Corporations that have invested at least \$100M in nonpublic companies within counties of 50,000 population or less, to invest in rural businesses.
 - Possible action: decouple the appropriated \$6.5M in funds from existing statute and create a new, more flexible program, better designed to support small rural business growth. **This would require new legislation**

Funding sources

ECONOMIC POLICY & ATTRACTION INCENTIVES FUNDING SOURCES

To fund infrastructure and housing

- **VMT**
- **Real estate transfer tax (RETT)**

To fund economic development efforts:

- **Corporate tax** – passthrough loophole , estimate to raise ~\$280M
- **Corporate Throwback Rule**, estimated to raise ~\$75 – 125M

To fund larger ticket items:

- **Sales tax changes** - \$2B+ ; adding services - \$3B+
- **Corporate income tax** – raises 50% of what it used to
- **Income tax adjustments**

To fund outdoor rec / climate / rural / talent retention incentives?

- **Marijuana taxes / vaping** (our rate is currently well below other states)

New, small dedications of **existing taxes**

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Thank you.



POLICY IDEAS

Jobs, Talent, People



WORKGROUP PRIORITIES

- **Address workforce shortages in key areas (incl job types and locations, e.g. rural areas)**
- **Create talent attraction and retention incentives**
- **Consistent investment in economic development and storytelling**
- **Childcare intervention to support working families**
- **Support for international migration growth and retention**

POLICY IDEAS

Jobs, Talent, People

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WORKGROUP PRIORITIES

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Jobs, Talent, People

WORKGROUP PRIORITIES

- **Attraction & Storytelling**
 - Broader marketing budget committed for long-term.
 - Consistent messaging
 - Regional support
 - Targeting specific migrant populations
 - Increasing local capacity
- **Industry-specific strategies**
 - Incentivize trades workers and veterans to move to MI
 - Simplify state licensure process for new Michiganders with out-of-state credentials (teachers)
 - Employers buy-in on attraction.
 - Reimagining Tri-Share

POLICY IDEAS

Infrastructure & Place

WORKGROUP PRIORITIES

- Establish long-term funding for Michigan's public transportation and roads
- Placemaking strategies to drive population growth – attraction and retention
- Development-ready sites
- Transit solutions to support growth
- Housing stock and affordability solutions

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POLICY IDEAS

Infrastructure & Place

WORKGROUP PRIORITIES

- Establish long-term funding for Michigan's public transportation and roads
- Placemaking strategies to drive population growth – attraction and retention
- Development-ready sites
 - Simplifying roadmap to readiness

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POLICY IDEAS

Infrastructure & Place

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WORKGROUP PRIORITIES

- **Housing stock and affordability solutions**
 - **Statewide inclusionary zoning – county-level decision making?**
 - Incentives for county-level decision-making (zoning) and shared services (public safety, road maintenance, etc.)

Infrastructure & Place

WORKGROUP PRIORITIES

- **Placemaking strategies to drive population growth – attraction and retention**
 - “Road diets” – incentivizing cities to identify areas to restripe roads and add walkways and sidewalks.
 - Increasing housing density
 - DNR public land use
 - DNR welcoming place
 - Expand outdoor rec industry
 - Expand DNR operations into broader languages
 - Conservation
 - **Broadband**

POLICY IDEAS

Infrastructure & Place

WORKGROUP PRIORITIES

- **Establish long-term funding for Michigan's public transportation and roads**
 - Mileage based user fees / road use charges
 - Increase EV registration fees (couldn't we add fees at the point of charging?)

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POLICY IDEAS

Higher Ed



WORKGROUP PRIORITIES

- Publicly-funded PreK-14 system in Michigan at any type of institution in Michigan
- Workforce connections for Michigan students
- Retention incentives for recent graduates staying in Michigan (especially in key areas and locations)
- Supportive programs for equitable outcomes and to improve completion

Higher Ed



WORKGROUP PRIORITIES

- Affordability and Access
- Increasing educational track options
- Free K-16 (connect to work PreK12 WG is doing)
- Alignment of education with workforce needs
- Retaining graduates
 - Student loan repayment assistance/forgiveness.
 - Reducing out-of-state loans to in-state tuition price
 - Down payment assistance

POLICY IDEAS

Higher Ed

GROWING
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WORKGROUP PRIORITIES

- Update standards to align with workforce needs
- Workforce attraction and retainment
 - JTP WG incentives

POLICY IDEAS

PreK-12



WORKGROUP PRIORITIES

- **Universal Pre-K for Michigan kids**
- **Competitively-funded PreK-12 system**
- **PreK-12 curriculum that guarantees Michigan kids the right to an education and the right to 21st century preparedness as makers and creators**
 - Internships
 - More flexibility for educators to prepare their students for the future