# Scan of State Policy Options: Jobs, Talent, and People

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Jobs, Talent, and People Workgroup Growing Michigan Together Council



# **Presentation Overview**

Provide a high-level overview of state policies designed to address one of the workgroup's three priority areas

- Addressing Workforce Shortages
- Attracting/Retaining Talent
- Increasing Michigan's Attractiveness

Programs selected based on survey suggestions and themes (but is not exhaustive)

Outcomes/Effectiveness: where available, we include evaluations and evidence of results towards program goals

What is Michigan Doing?:

• Information on related programs in Michigan where applicable



# Addressing Workforce Shortages



#### Louisiana

## School Readiness Tax Credits (2007)

**Purpose**: Incentivizing access to high-quality child care through income tax credits to:

- Families
  - Standard state-level dependent care credit equal to 10-50% of federal dependent care credit based on earned income
  - Additional credit of between 50-200% of the standard state credit for care expenses for children under age 6 provided by facilities with quality rating or "Two Star" or higher
- Child Care Staff: refundable credit in 2022 of between \$1,894 and \$3,787 based on education level achieved through Louisiana Pathways Child Care Career Development System
- *Child Care Owner/Operators*: refundable credit in 2022 of between \$750 and \$1,500 per child who is either a foster child or who receives state child care subsidy; amount based on quality rating of facility
- *Employers*: refundable credit of 5-20% of expenses related to child care payments on behalf of employees or construction, expansion, or repair of an eligible child care center



## Louisiana School Readiness Tax Credits

#### Effectiveness:

2016 Louisiana Policy Institute for Children evaluation

- Analyzed program data from 2009 to 2016:
  - Increased participation by child care centers in Louisiana's Quality Rating Improvement System; from 484 to 801
  - Percentage of centers achieve Three Star rating or higher increased from 6% to 36%
  - Percentage of vulnerable children (foster care or low-income) receiving care from providers rated Three Star or above increased from 20% to 46%
  - Number of credentialed staff grew significantly
    - Level I Teachers: from 963 to 3,598
    - Higher Level Teachers: from 284 to 2,156
- Revenue loss tied to tax credits remained flat (\$16-17 million per year) during this period

Michigan Proposal: Child Care Educators Tax Credit (still pending)



#### Oregon

# Apprenticeship-Related Child Care (2011)

**Purpose**: Inter-agency partnership supports a generous child care subsidy program for workers participating in a highway trades registered apprenticeship or pre-apprenticeship program.

**Legislative Funding Commitment**: Oregon law requires the state's transportation department to commit 0.5% of federal dollars (around \$2.1 million each 2-year budget period) on apprenticeship programs for highway workers (including an aim at making that workforce more inclusive of women and people of color). Some of this is used for child care, a major barrier to completion.

#### Participant Benefits:

- Maximum benefit of \$10,000 per apprentice
- Subsidy paid directly to child care provider with rate based on household income, household size, and age of children. Enhanced rate available for children with special needs
- Participants already eligible for state child care subsidy can receive assistance with traditional family co-pay
- Flexibility in choosing child care provider, including the use of friends/family to ensure availability of care during off-hours



### Oregon Apprenticeship-Related Child Care Effectiveness:

2022 Evaluation – Portland State University

- 70% of apprentices from 2014-15 cohort who completed their training had received child care financial support
- Those receiving child care support were more likely to complete training than those who did not
   All apprentices: 28% more likely to complete
  - Men: 37% more likely to complete
  - Women: 21% more likely to complete
- Child care support had the strongest impact among other available support services (e.g., travel expenses, readiness items (tools), hardship support)



## Minnesota, Wisconsin, and North Dakota Rural Residency Program (2019)

**Purpose**: Rural residency program that allows nurse practitioners to work in rural, underserved health clinics. Program is a partnership between <u>North Dakota State University (NDSU) School of Nursing</u> and Essentia Health

**Funding**: The NDSU School of Nursing received a 4-year, \$1.6 million grant in 2019 from the federal Health Resources and Services Administration to support the initiative.

• Program pays nurse practitioners at market value and allows them to bill for services (traditional residency programs typically pay 60-70% of market value)

#### Scope of Program and Results:

- Essentia Health operates 4 rural clinics within Minnesota, Wisconsin, and North Dakota. Their health system also includes 15 hospitals, 74 clinics, as well as long-term care, assisted living, and independent living facilities.
- Program goal is to attract and retain new nurse practitioners in rural clinics that have experienced staffing challenges. To date, program has trained 8 nurse practitioners who remain in the underserved Essentia Health clinics.



## Minnesota, Wisconsin, and North Dakota Rural Residency Program

What is Michigan Doing?

<u>MIDOCs Program</u>: Partnership between medical schools at Central Michigan University, Michigan State University, Wayne State University, and Western Michigan University that aims to recruit, train and retain health care providers in rural and urban underserved communities in Michigan.

- Focus on primary care and other high-need specialties (e.g., psychiatrists)
- Participants make two-year commitment to practice in underserved areas post-residency
- Residents may receive up to \$75,000 in educational loan repayment support

Funding: \$6.4 million state appropriation plus university funding are matched by federal Graduate Medical Education funding. Funding supports 24 new residency slots beginning in 2023.

Fiscal Year 2022-23 Program Report



### Washington Licensed Practical Nurse Apprenticeships (2022)

**Purpose:** Three-year initiative to develop a career pathway program for certified nurse assistants and home care aides to become licensed practical nurses (LPNs). Long-term care facilities are able to nominate individuals to take part in the program. Participants are enrolled in local community and technical colleges to begin the pathway.

#### Program Accomplishments to Date:

- 37 certified nurse assistants and home care aides are enrolled in prerequisite courses for the LPN program
- Washington's Edmonds College has collaborated with nursing educators to develop an LPN program with an anticipated launch date of Fall 2023
- The Washington Workforce Board will employ two Apprentice Navigators to provide support apprentices.



# Attracting and Retaining Talent



## *Kansas* **Rural Opportunity Zones Program (2011)**

**Purpose**: Incentivizing younger, college-educated persons to move to rural Kansas counties with populations below 40,000 (which includes 95 of the state's 105 counties)

#### Benefits to Participants:

- School Loan Repayment Assistance: up to \$3,000 for 5 years
  - Participating counties must adopt resolution to participate; county or local partner must agree to 50/50 cost sharing with state on assistance
  - o Participant must have at least an associate's degree
  - Must move to ROZ participating county (from out-state or in-state)
- Income Tax Exemption: credit equal to 100% of any income tax liability
  - Participant must have lived outside of Kansas for at least 5 years with less than \$10,000 in Kansassourced income
  - o Must live in an ROZ participating county for the full year in which credit is claimed
  - $\circ$   $\,$  No county resolution is required for this benefit



# **Rural Opportunity Zones Program (2011)**

Effectiveness: Kansas Legislative Division of Post-Audit (August 2023)

- From 2012 to 2022:
  - o 1,670 individuals received student loan assistance total \$13.3 million
  - o 1,500 individuals received income tax credits totaling \$13.8 million
- Audit concludes the program had little overall impact on rural population declines across the state; survey data suggest 70-85% of participants would likely have moved to the affected rural county anyway.
- Stakeholder surveys, however, suggested that the program had helped with overall employee recruitment



#### Vermont

## Relocation and Retention Programs (2018)

#### Worker Relocation Incentive Program (2018):

- Grants of between \$5,000 and \$7,500 (based on Labor Market Area) to new full-time residents of Vermont; grant covers costs related to relocation: closing costs on house, deposit/first month's rent, moving costs
- Worker must have or gain full-time employment that pays Vermont livable wage rate (\$15.33/hr in 2022) and is subject to Vermont income tax; remote workers who work for an out-of-state employers are eligible
  - If new resident gain employment with Vermont employer, employer must attest that they could not fill job with existing Vermont applicants

#### Loan Repayment Program (2023):

- \$5,000 loan repayment incentive to Spring 2023 graduates who completed a bachelor's degree program from a Vermont institution; \$2,500 paid over two years
- Must reside and work for Vermont employer for two years in a position that requires a bachelor's degree
- \$2.5 million in state funding will cover 400 or more applicants



#### Oklahoma

# Tulsa Remote (2011)

Purpose: Attracting a talented workforce to the City of Tulsa

#### Eligibility:

- Adults who are eligible to work in the United States and who currently have full-time remote work employment outside the State of Oklahoma
- Have lived outside Oklahoma for 12 months and agrees to move to Tulsa and maintain their fulltime remote work employment for at least 12 additional months

#### **Benefits to Participants:**

- \$10,000 cash incentive
  - Monthly incentive option: \$2,500 relocation incentive plus \$500 monthly stipends for 1 year plus \$1,500 completion incentive payment
  - Homeownership option: lump sum payment of full amount if recipient purchases and occupies a personal residence in Tulsa
- Space within "36 Degrees North" coworking community in downtown Tulsa
- Access to community building programming and events



# **Effectiveness of Relocation Incentives**

Center for Regional Economic Competitiveness / Smart Incentives - Evaluation

- Vermont Remote Worker Program
  - o 140 new workers generated \$16.5 million in household income
  - 52% of surveyed participants indicated grant funding was important/very important in relocation decision
  - o 91% of participants had college degrees; 35% had graduate degrees
- Tulsa Remote
  - o 394 remote workers under the program were present in the city for all of 2021
  - Workers accounted for \$51.3 million in income that year
  - Median income of remote workers was \$85,000 compared to city's median income of \$58,000
- Conclusion: programs have been "small but impactful"
- <u>Roundtable discussion</u>



## New Hampshire Stay Work Play (2009)

**Purpose**: Non-profit organization established to further the state's goal of having 55% of new college graduates remain in the state, which itself arose out of a <u>Governor's Task Force on Young</u> <u>Worker Retention</u>

#### **Programs and Functions:**

- <u>Stay Work Play website</u>: Highlights why New Hampshire is a great state to <u>stay</u>, <u>work</u>, and <u>play</u> and promotes the organization's programs, events, and advocacy efforts.
- <u>Rising Stars Leadership Program</u>: four-month leadership skills training program for young professionals; \$2,300 tuition (with member discount) covers six in-person sessions and additional virtual peer connect coaching sessions; Rising Star Awards recognize emerging leaders
- <u>Diversity, Equity & Inclusion Series</u>: regular events promoting a more inclusive New Hampshire through learning and advocacy.

**Funding:** As a membership organization, Stay Work Play generates revenue from businesses and organizations that appoint decision makers to its Board of Advisors (\$2,000 annual investment)



### New Hampshire Stay Work Play

### **Playing in the Granite State**



Biking

Biking opportunities are abundant in New Hampshire. From beautiful back roads and preserved railroad beds (rail trails) to rustic single-track mountain biking, you are sure to find plenty of ways to enjoy both road and mountain biking. Learn more <u>here</u>.



Camping, Hunting & Fishing

New Hampshire offers world-class hunting, camping and fishing throughout the state. <u>Here</u> are some resources to inspire your next camping trip!



Hiking, Running & Walking

NH is home to many spectacular trails covering over 4,000 miles, many leading to amazing vistas. From easy walks to challenging hikes, including one of the final legs of the Appalachian Trail (if you are a south to north hiker), NH trails attract people from all over the country. Learn what the Granite State has to offer here.



# New Hampshire Stay Work Play

Stay Work Play Board of Advisors Members: Hiring in New Hampshire





## California Economic Empowerment Demonstration (2019)

**Purpose**: Providing no-strings-attached cash payments to a segment of City of Stockton's population to test how guaranteed income impacted income volatility; physical and psychological well-being; future self-determination. Funding provided through private donations.

#### **Program Selection Process:**

- Adult living in Stockton within a neighborhood with median income at or below \$46,033 (the city's median income)
- Random invitations to participate were sent to 4,200 qualified residents
  - Treatment group: 125 households, including 25 selected as "storytelling cohort"
  - Control group: 200 households who agreed to participate in compensated research activities
- Treatment group received \$500 monthly cash payments for 24 consecutive months

#### First-Year Analysis (Feb 2019 to Feb 2020):

- Full-time employment within treatment group increased from 28% to 40%
- Unexpected expenses: 52% would use cash to meet unexpected needs; up from 25% in 2019
- Statistically significant difference in emotional health (Kessler 10 assessment)



# California Economic Empowerment Demonstration

What is Michigan Doing?

#### <u>RxKids – Flint, Michigan</u>:

- Financial support to pregnant mothers and babies in the City of Flint; expected to launch in 2024
- \$1,500 one-time payment during pregnancy
- \$500 monthly payments during first year of baby's life
- Funded using \$16.5 million from Michigan's Temporary Assistance for Needy Families federal block plus private philanthropic support (\$35 million total commitment to date)



# Making Michigan Attractive



# Research: Expanding Economic Opportunity

Richard Florida and the Creative Class Group, Michigan's Great Inflection

Three Pillars of Economic Transformation

- Transformational Technology: Aligning the research and development assets of the state's world-class universities with its leading industries
- Talent: enhancing efforts to create, attract, and retain talent needed within the knowledge-based economy
- Placemaking: creating communities where talented people will want to live; leveraging the economic development potential of the state's college towns



# Research: What Attracts People to a State?

#### Brookings Metro, <u>Quality of Life in Micropolitan Areas</u>

*Key Research Finding:* Community amenities (e.g., recreation and cultural opportunities, schools, transportation options) have greater impact on local economies than traditional economic development measures (taxes, regulatory flexibility, business incentives)

- Small micropolitan counties were analyzed based on "quality of life" factor: counties with higher housing prices and lower wages than similarly situated counties were deemed to have high quality of life (people willing to pay housing and wage premium to live there)
- Both employment and population growth between 2010 and 2018 were statistically higher in high quality of life counties than in low quality of life counties

Conclusion: If the goal is to increase population and workforce, focus policies on improving quality of life within a community.



### Pennsylvania Ben Franklin Technology Partners (1983)

**Purpose**: Promoting technological innovation and economic growth in Pennsylvania through four regional non-profit Technology Partners that serve different regions of the state (partners are centered in University Park, Lehigh Valley, Philadelphia, and Pittsburgh)

#### **Program Activities:**

- Financial investment: partners invest in technology-based companies with an emphasis on commercialization activities; program funding generally serves as a bridge between personal funds and third-party capital
- Business and technical assistance: technical problem solving, and longer-term business counseling is provided by both partner staff and outside providers
- Regional infrastructure building: regional offices promote the development of infrastructure needed to grow and sustain technology-based companies, such as university-based centers of excellence, incubators, venture capital funds and angel investor networks



## Pennsylvania Ben Franklin Technology Partners (1983)

#### Funding History:

- In the mid 1980s, \$29 million in state funding was matched by \$90 million from businesses, foundations, and other sources to create four regional advanced technology centers at the state's major research universities to facilitate greater university/industry cooperation and to generate greater focus on innovation and technology.
- Annual state funding to the Ben Franklin Technology Development Authority help maintain programs; annual funding was around \$50 million between 2000 and 2009, but funding was cut to around between \$15-20 million per year after the Great Recession.

#### Program Impacts (2017-2021):

- Partner clients outperform comparison non-clients in terms of employment growth. Program evaluation suggests the program generated 5,900 additional jobs paying salaries that, on average, exceed average private sector pay by 29 percent
- \$352 million in additional state tax receipts from client firms that received program investments



### New York Regional Economic Development Councils (2011)

**Purpose**: Encouraging forward-looking economic development plans and partnerships by directing state funding for locally developed economic strategies through 10 regional councils; program focuses on strategies promoting placemaking, workforce, export-based sectors, and innovation

#### **Program Details:**

- <u>Regional Economic Development Councils</u>: 10 councils operate around the state as publicprivate partnerships that include stakeholders from business, academia, local government, and other non-governmental organizations and groups
  - Councils are responsible for identifying programs and projects that are most valuable to their regions
  - REDCs will also administer funding for two new initiatives the Downtown Revitalization Initiative and New York Forward communities – that aim to finance transformative projects to revitalize downtowns, drawing on an \$800 million state commitment to the programs
- Since its advent in 2011, the program has awarded over \$7.8 billion to more than 9.600 projects across the state
- <u>2022 Awards</u> equaled \$116 million



## North Carolina Health Opportunities Pilots (2022)

**Purpose**: Addressing health disparities and improving overall health outcomes for the state's Medicaid-eligible population by providing evidence-based non-medical interventions related to food, housing, transportation, interpersonal safety, and toxic stress to high-need enrollees

#### **Program Details:**

- Like the Medicaid program, the <u>pilots</u> are funded with both federal and state dollars. North Carolina received a federal waiver to allow the use of up to \$650 million in federal Medicaid funding to support the initiative
- Pilots are operated in three regions of the state. Medicaid recipients having at least one qualifying physical/behavioral health risk and one qualifying social risk are eligible to receive any of 29 different <u>non-medical interventions</u> based on their needs. Interventions include:
  - Housing: housing navigation and support, deposit and rent, move-in
  - Food: healthy food boxes, nutrition classes, diabetes prevention programming
  - Transportation: reimbursement for transportation costs related to care or case management
  - Safety/Toxic Stress: violence intervention, parenting and home visiting support



#### Pennsylvania

# Campus Philly (early 2000s)

**Purpose**: Campus Philly is a non-profit organization that aims to boost retention of graduates from Philadelphia-area universities and colleges.

#### Programs:

- Meet Philly Tours: campus visits to promote off-campus explorations in Philadelphia; *Campus Philly Insider* reaches 15,000 students each fall
- College Nights: free concerts, theater, and museum events for college students
- Launch Your Career in Philadelphia: in-person events connect college students with employers; networking with employers recruiting for jobs and internships (free professional headshots)
- Career launching website provides a free platform for students and employers to connect for jobs and internships
- Organization staff collect data on enrollment and retention and benchmark the city against other major cities

**Results:** between 2000 and 2017, Philadelphia experienced 115 percent growth in the number of 25to 34-year-old adults holding a bachelor's degree; higher than 11 of 12 benchmarked cities



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