

Department of Labor and Economic Opportunity



General Overview

The Department of Labor and Economic Opportunity (LEO) was created by Executive Order (E.O.) 2019-13, which replaced The Department of Talent and Economic Development (created by E.O. 2014-12) and consists of the Michigan Strategic Fund (MSF), Workforce Development (WDA), Unemployment Insurance Agency (UIA), the Land Bank Fast Track Authority, and the Michigan State Housing Development Authority (MSHDA). The MSF oversees the economic development programs within LEO such as Business Attraction and Community Revitalization Community Venture, Entrepreneurship eco-system, Pure Michigan, Community Development Block Grants, the Michigan Film Office and Film Incentive Program, Skilled Trades Equipment Program bond payments, and Facility for Rare Isotope Beam (FRIB) bond payments. The WDA oversees the various Workforce Development Programs, Michigan Works!, and Going Pro. The UIA includes the administration and IT of the Unemployment Insurance Agency and advocacy assistance. The MSHDA oversees Payments on Behalf of Tenants, Housing Rental Assistance, and the Lighthouse preservation program.

Prior to EO 2014-12 the various programs were under the direction of the MSF as an autonomous unit within the Department of Treasury except for the Unemployment Insurance Agency, which was in the Department of Licensing and Regulatory Affairs.

Major Divisions and Programs

1. **Michigan Strategic Fund/Michigan Economic Development Corporation.** The **Michigan Strategic Fund (MSF)** was created under P.A. 270 of 1984 as an autonomous entity to assist in promoting economic development in the State. The MSF's authority was expanded by Executive Order 1999-1, which transferred into the Fund all the State-funded economic development programs and created it as a State agency. Through the creation of this agency, the MSF was eligible to enter into interlocal agreements with various local entities as provided by the Urban Cooperation Act of 1967. These agreements provided for the formation of the **Michigan Economic Development Corporation (MEDC)**, which is also an autonomous entity. The MSF transfers the majority of its appropriated State funds and employees to the MEDC, which has the authority to employ nonstate employees to administer programs. The MEDC also has independent, non-appropriated revenue pursuant to Indian casino gaming compacts. The MSF is overseen by an eleven-member Board* of which eight members are appointed by the Governor with the advice and consent of the Senate and three are ex officio members: the directors of the departments of Treasury and Licensing and Regulatory Affairs, and the Chief Executive Officer of the MEDC. The MEDC is overseen by an Executive Committee made up of 20 members appointed by the Governor according to the requirements of the inter-local agreement. The MEDC and its staff administer State economic development programs. The major programs within the MSF/MEDC include:
 - a) **Business Attraction and Community Revitalization.** The Agency has a number of programs under the umbrella of Business Attraction and Community Revitalization that are designed to promote Michigan to in- and out-of-state companies. Business development managers visit and work with companies to determine eligibility for various incentives administered by the MEDC. These include the Michigan Business Development Program, the Community Revitalization Incentives, access to capital and collateral support programs, Renaissance Zones, and Federal Community Development Block Grants for non-entitlement communities. Other programs include a business ombudsman who provides advocacy services to companies as they navigate through State or local government; Pure Michigan Business Connect; Pure Michigan Talent Connect; export assistance; site development and infrastructure improvement; and site location assistance.

- b) **Strategic Outreach and Attraction Reserve (SOAR) Fund.** Public Act 137 of 2021 created the SOAR Fund along with its two constituent programs: The Critical Industries Program (CIP) and Strategic Site Readiness Program (SSRP). The MEDC administers the CIP and SSRP to provide financial incentives to businesses to relocate to, or expand in Michigan. Funds may also be provided directly to local units of government in cases where the State-supported portion of the investment is for infrastructure needed to facilitate the project. The SOAR Fund receives GF/GP appropriations that are then transferred to either the CIP or SSRP through the legislative transfer process as projects are approved by the MSF Board.
 - c) **Michigan Film Office.** The MSF houses the Michigan Film Office and the Michigan Film Office Advisory Council. The Film Office administers appropriated film incentives and promotes Michigan as a film-making location.
 - d) **Arts and Cultural Grants.** The Arts and Cultural Grant Program and the Michigan Council for Arts and Cultural Affairs were transferred to the MSF in FY 2009-10 from the former Department of History, Arts, and Libraries. The council processes and awards arts and culture grants throughout the state and the central administration and staff is operated by the MSF.
 - e) **Entrepreneurship eco-system.** Used 21st Century Jobs Trust dollars to administer programs under Chapter 8A of the Michigan Strategic Fund Act. This act allows for the creation of various business incubators and accelerators through the state and provides loan enhancement support to small businesses.
 - f) **Pure Michigan.** The MEDC conducts tourism and business marketing under the Pure Michigan brand. The MEDC uses the appropriated funds to contract with media companies to design, produce, and administer media campaigns in the State, county, and internationally.
2. **Workforce Development Programs.** The purpose is to assist out-of-work, underemployed, or young workers in accessing higher-skilled and higher-paid jobs and includes a variety of programs:
- a) **Community Ventures.** This program was established in FY 2012-13 to provide job training and placement assistance to long-term, structurally unemployed persons in Detroit, Flint, Pontiac, and Saginaw, the cities of focus in the Public Safety Initiative. The program has changed focus to assist workers with removing barriers to entry such as transportation and child care.
 - b) **Workforce Development Agency.** Most of the State's job training and workforce development programs were transferred to the MSF by Executive Order (EO) 2011-4. Many of these programs are supported primarily by Federal fund sources including the Workforce Investment Act (WIA), Trade Adjustment Assistance (TAA), and Temporary Assistance for Needy Families (TANF) which funds workforce preparation for recipients of cash assistance. The funding is largely transferred to the Michigan Works! Agencies which administer the programs locally. Also included in the Workforce Development Agency are the Office of Post-Secondary Education and Adult Education programs. EO 2014-12 placed the Workforce Development Agency under the Talent Investment Agency.
3. **Going Pro.** The Going Pro program (previously called the Skilled Trades Training Program) provides grants to businesses, community colleges, and other organizations to support the training of employees. In FY 2018-19 the Going Pro Talent Fund was created with PA 260 of 2018 to provide grants, while the Going Pro program line item administers and markets the program, and other more focused skill-development programs.
4. **Michigan Reconnect.** Michigan Reconnect provides last-dollar grant aid to community college students aged 25 or over who do not already have a postsecondary credential. The Program covers all mandatory tuition and fees for eligible students after other available grant aid is exhausted. LEO administers this program.

5. **Unemployment Insurance Agency.** The UIA administers Michigan's unemployment insurance system. The UIA was transferred from the Department of Licensing and Regulatory Affairs to the Talent Investment Agency in the TED per E.O. 2014-12. EO 2019-13 separated the agency as an independent unit within LEO. The main State Restricted revenue supporting UIA operations is Penalties and Interest restricted fund, which generates revenue from the penalties placed on fraudulent case involving both employers and claimants.
6. **State Land Bank Fast Track Authority.** The Land Bank acquires and disposes of tax reverted property and surplus property from the State of Michigan which has been transferred by law to the Land Bank. EO 2013-8 transferred the Land Bank into MSHDA. The Land Bank board is appointed pursuant to MCL 124.766 and consists of four members appointed by the Governor, the State Treasurer, the Chief Executive Officer of the MEDC, and the Executive Director of MSHDA or their designees.
7. **Michigan State Housing Development Authority (MSHDA).** MSHDA is independent authority with its own board appointed pursuant to MCL 125.1421. It operates Federal housing programs for low and moderate income persons, foreclosure prevention programs, Federal low income housing tax credits, the Michigan Housing and Community Development Fund, and the State Historic Preservation Office. MSHDA also is involved in blight elimination, community development, and neighborhood stabilization.