

David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Senior City Planner
Janese Chapman
Deputy Director

John Alexander
LaKisha Barclift, Esq.
M. Rory Bolger, Ph.D., AICP
Elizabeth Cabot, Esq.
Tasha Cowen
Richard Drumb
George Etheridge
Deborah Goldstein

City of Detroit

CITY COUNCIL


LEGISLATIVE POLICY DIVISION

208 Coleman A. Young Municipal Center
Detroit, Michigan 48226

Phone: (313) 224-4946 Fax: (313) 224-4336

Christopher Gulock, AICP
Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Carolyn Nelson
Kim Newby
Analine Powers, Ph.D.
Jennifer Reinhardt
Sabrina Shockley
Thomas Stephens, Esq.
David Teeter
Theresa Thomas
Kathryn Lynch Underwood
Ashley A. Wilson

TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: June 20, 2019

RE: **Agreement for Administration and Operation of Programs Funded Through the Detroit Workforce Training Fund**

The Legislative Policy Division (LPD) has been requested to provide a report on the Agreement for Administration and Operation of Programs Funded through the Detroit Workforce Training Fund between the City of Detroit (City) and Detroit Employment Solutions Corporation (DESC). The issue is whether there is any concern with regard to the provision providing for general fund dollars appropriated by City Council.

The modifications made to the agreement addresses the term used to define the monetary payment to be made when an entity is not in compliance with the Executive Orders changing the term from “financial penalties” to “workforce contributions” and the addition of the Workforce Training Fund receiving “appropriations approved by City Council. These modifications are also reflected in the Workforce Training Fund Policies and Procedures identified in the Agreement as Exhibit C.

The Agreement provides that the “Workforce Training Fund” as defined therein includes two sources of funding. One source is the workforce contributions imposed under Executive Orders 2014-4 and 2016-1 on non-compliant developers, general contractors, prime contractors and subcontractors engaged to service all construction projects funded, in whole or in part by the City. The second source of funding the Workforce Training Fund is through budget appropriation of City funds approved by City Council. This appropriation should be specifically designated in the City’s budget to be provided to the Workforce Training Fund and not derived from other appropriations not designated for the fund.

Both sources of funding are to be utilized by the DESC as provided in Section 3.1 of the Agreement “to support initiatives of DESC to provide training, support and placement for Detroiters seeking jobs in the skilled construction trades and/or the permanent jobs resulting from new development.”

LPD has not identified any concerns relative to the terms and conditions of the Agreement. LPD does reiterate that it is important that any funds intended as a budget appropriation by City Council to the Workforce Training Fund be identified specifically to the fund.

If we can be of further assistance, please call upon us.