



MICHIGAN
NEW JOBS
TRAINING PROGRAM
A Community College Initiative

Public Acts 359 and 360 of 2008 created the Michigan New Jobs Training Program (MNJTP).¹ This program, designed as an economic development incentive, authorizes community colleges to create a training pool (financing mechanism is flexible, colleges can issue debt, borrow from reserves, or use a pay-as-you-go model) to support employers that are creating new jobs and/or expanding operations in Michigan. The training for the newly hired workers is paid by capturing the state income tax associated with the new employees' wages and redirecting it to the college, instead of the state.

These jobs must be “net new” to the company, meaning it’s not a job of a recalled worker, a replacement job, or any other job that existed in the employer’s business within the 1-year period preceding the date of an agreement. These new jobs must result in a net increase in employment in Michigan for the employer, and the wage paid for the job must be equal to or exceed 175% of the state minimum wage.

Benefits of Program

- Employers have “skin in the game”, namely they have to **hire employees and create new jobs FIRST**, before getting the benefit of free training.
- Program **eliminates the skills gap**; the training delivered to the new employees is *exactly* what the employers require. Most of the training funded by the MNJTP is contract-based, company-specific training.
- Program allows plenty of **flexibility for the type of training** that is allowable, from basic-skills acquisition to high-tech skill development, to entire programs of study.
- This is a **local program** (individual community colleges work directly with employers and local economic development to support job creation), and there are no restrictions by industry or employer size.

Economic Impact Analysis Study (*Anderson Economic Group, 2013*):

- The MNJTP net economic impact on the State of Michigan in 2012 alone was over \$76 million of additional earnings and 2,266 additional jobs, and in the “steady state” will increase to \$143 million of additional earnings and 4,768 additional jobs annually for the State of Michigan.
- In 2012, the MNJTP generated an additional \$3.3 million of state and local tax revenue and will have little to no net fiscal impact in the steady state. Although \$2.9 million of Individual Income Tax revenue was

¹ Program was later amended via Public Act 130 of 2015.

MNJTP BY THE NUMBERS

Employers Served by the Program: 103

MNJTP Contracts to Date: 115

Number of Projected New Jobs Supported by Existing MNJTP Agreements: 13,390

Participating Community Colleges: 18

Note: MNJTP program data updated on 07.31.2015.

diverted to reimburse colleges for job training expenses in 2012, this revenue loss was more than offset by additional state income tax (\$1.6 million), sales tax (\$1.7 million), and state and local property tax (2.8 million). After the expiration of all existing contracts and as the program operates in a “steady state”, the Anderson Economic Group estimates that at least \$12 million (but no more than \$13.3 million) of income tax will be captured annually. This revenue loss will be offset by an equal amount of additional income, sales, and property tax revenue generated by the MNJTP’s economic activity.

Sample Industries Supported by the MNJTP: Motor Vehicles & Equipment Manufacturing; Engines & Turbines; Fabricated Rubber Products; Fabricated Metal Products; Plastics & Synthetics Manufacturing; Engineering & Architectural Services; Laboratory, Scientific & Research Instruments; Insurance; Health & Allied Services; Medical & Dental Instruments and Supplies; Data Processing Services Including Accounting, Auditing, and Bookkeeping; Electric Lighting & Wiring Equipment; Agricultural Services

Employers Served by the Program: ACAT Global; ADAC Automotive; ADCO Products, Inc.; AJT Forrest Products, L.P.; Anchor Coupling, Inc.; Autocam Corp; Besser Company; Bleistahl North America; Blissfield Manufacturing; Bradford Company; Brembo North America; Brighton NC Machine; Brittons Banner Inc.; Canal Street Brewing Co. LLC, dba Founders Brewing Company; Cargill Kitchen Solutions; Chagan US Research and Development Center; Cherry Republic; Central Lake Armor Express Inc.; Century Inc.; Commonwealth Associates Inc.; Cosma Casting; Denso International America; Dokka Fasteners; Dow Kokam LLC; Earthcom, Inc.; Eaton Hydraulics; Eberspaecher North America; Eco Bio Plastics; Eissman Automotive; Electro Optics Technology; Elmer’s Crane and Dozer Inc.; EMAG LLC; Farmers Group; General Motors (Lansing Delta Township, Lansing Grand River Assembly, Lansing Regional Stamping East, and Flint Subsystems Manufacturing); Fogg Company; Force by Design; Grace Engineering; Great Lakes Industry of Jackson; Great Lakes Stainless Inc.; Hagerty Insurance Agency; Hanwha L & C; Haworth; Hayes Manufacturing Inc.; Hella Corporate Center USA Inc.; Hella Electronics Corporation; Hillsdale Community Health Center; HLC America Inc.; Janesville Acoustics; Johnson Controls SAFT; Kay Premium Marking Films; LGChem; Life Ways of Jackson & Hillsdale; Liquid Web; LTC Roll & Engineering Co.; Mahindra North America Technical Center; Materne North America; Meritor Heavy Vehicle Systems; MFC Netform; Michigan Automotive Compressor Inc.; Moran Iron Works Inc.; NEMO Capital Partners; Niowave, Inc.; NYX, Inc.; Oxus America, Inc.; Plascon Inc; Pidgeon and Clay Inc.; Plymouth Technology; Post Foods; Rapid Fit; Senior Living; Shoreline Power Services; Skilled Manufacturing; Smooth Logistics; SMR Automotive Systems USA; Systems In Motion, LLC; Systems USA; Technique, Inc.; TentCraft Inc.; TG Fluid Systems; The Paslin Company; Total Quality Logistics LLC; Trans-Matic, Inc.; Trilog Health Services LLC; Triumph Gear Systems-Macomb; TRMI Inc.; UIS SCADA; Unique Tool and Manufacturing; United Shore Financial Services; UIS SCADA; Ventower Industries; Ventra; WABCO North America; Washers Inc.; Weber Automotive; and Weyerhaeuser.

Colleges with Signed MNJTP Agreements to Date: Alpena Community College; Bay de Noc Community College; Delta College; Grand Rapids Community College; Jackson College; Kellogg Community College; Kirtland Community College; Lansing Community College; Macomb Community College; Monroe County Community College; Montcalm Community College; Mott Community College; Muskegon Community College; Northwestern Michigan College; Oakland Community College; Schoolcraft College; St. Clair County Community College; Washtenaw Community College.

MCCA Position: The MCCA supports increasing the program’s \$50 million legislative cap. Although the cap was instituted in an effort to minimize the exposure to the General Fund, it is important to note that as of July 7, 2015, only \$15,163,719 in income tax withholdings have been diverted in support of ALL EXISTING MNJTP contracts. These contracts are providing the training for 13,390 projected new jobs in Michigan.