



Public Acts 359 and 360 of 2008 created the Michigan New Jobs Training Program (MNJTP).<sup>1</sup> 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.

### MNJTP BY THE NUMBERS

**Employers Served by the Program: 157**

**Number of Projected New Jobs Supported by Existing MNJTP Agreements: 17,922**

**Participating Community Colleges: 21**

Note: MNJTP program data updated on 07.10.2017.

### 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.

<sup>1</sup> Program was later amended via Public Act 130 of 2015.

### **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 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:** ABB, Inc.; ACAT Global; ADAC Automotive; Adaptive Counseling and Case Management, LLC; ADCO Products, Inc.; Aero Tech Aviation Design; AJT Forrest Products, L.P.; Anchor Coupling, Inc.; Autocam Corp; Avon Machining, LLC; Ayers Basement Systems; Besser Company; Bleistahl North America; Bliss Clearing Niagara Technical Services; Blissfield Manufacturing; BorgWarner Emissions Systems of Michigan; BorgWarner Inc.; BorgWarner Ithaca LLC; BorgWarner TorgTransfer Systems Inc.; BorgWarner Transmission Systems LLC; Bradford Company; Brembo North America; Brighton NC Machine; Brittons Banner Inc.; Canal Street Brewing Co. LLC, dba Founders Brewing Company; Carmeuse Lime & Stone; Cargill Kitchen Solutions; Chagan US Research and Development Center; Cherry Capital Foods; Cherry Republic; Central Lake Armor Express Inc.; Century Inc.; Comau LLC; Commonwealth Associates Inc.; Cosma Casting; Denso International America; Covenant Eyes; DexSys; Dicastal North America Inc.; Do Apparel; Dokka Fasteners; Dow Kokam LLC; Earthcom, Inc.; Eaton Hydraulics; Eberspaecher North America; Eco Bio Plastics; eFulfillment Service; Eissman Automotive; Electro Optics Technology; Elmer’s Crane and Dozer Inc.; EMAG LLC; Farmers Group; General Motors (Hamtramck Assembly Plant, 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.; Holy Cross Services of Detroit; IAC St. Clair LLC; IMM, Inc.; Industrial Arts Institute; IP Consulting; Janesville Acoustics; Johnson Controls SAFT; Karma Automotive; La Colombe Torrefaction Inc; LexaMar-Magna International; LGChem; Life Ways of Jackson & Hillsdale; Liquid Web; LOC Performance Products, Inc.; LTC Roll & Engineering Co.; Magna Mirrors of America; Mahindra North America Technical Center;

Materne North America; Meritor Heavy Vehicle Systems; MFC Netform; Michigan Automotive Compressor, Inc.; Michigan Orthopedic Center, PC; Michigan Seamless Tube, LLC; Moebius Technologies; Moran Iron Works Inc.; Narcross Company; NEMO Capital Partners; Niowave, Inc.; Northwest Michigan Surgery Center; NYX, Inc.; Oxus America, Inc.; P3 North America; PA Solutions, Inc.; Peter Lacke USA; PJ Wallbank Springs Inc.; Plascon Inc; Pridgeon and Clay Inc.; Plymouth Technology; Post Foods; Preston Feather Building Centers; P.T.M Corporation; Rapid Fit; R&E Automated Systems, LLC; Rivian Automotive; RJR Inc.; Roush Industries; Senior Living; Shoreline Power Services; Skilled Manufacturing; Smooth Logistics; SMR Automotive Systems USA; STEC USA, Inc.; Strata Design; Systems In Motion, LLC; Systems USA; Tamarack Holdings; Technique, Inc.; TentCraft Inc.; TG Fluid Systems; The Paslin Company; Total Quality Logistics LLC; TRAKnet RCM, LLC; Trans-Matic, Inc.; Trilogy Health Services LLC; Triumph Gear Systems-Macomb; TRMI Inc.; UIS SCADA; Unique Tool and Manufacturing; United Shore Financial Services; Universal Tool Equipment and Controls, Inc.; 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; North Central Michigan College; Northwestern Michigan College; Oakland Community College; Schoolcraft College; St. Clair County Community College; Washtenaw Community College; and Wayne County Community College District.

**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 June 2017, only \$25,436,272 in income tax withholdings have been diverted in support of ALL EXISTING MNJTP contracts. These contracts are providing the training for 17,922 projected new jobs in Michigan.