

# Legislative Analysis



## EXTEND SUNSET FOR NEW JOBS TRAINING PROGRAM AND ADD NEW WAGE CRITERIA

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**House Bill 4573 (H-1) as reported from committee**  
**Sponsor: Rep. Carol Glanville**  
**Committee: Higher Education**  
**Complete to 6-28-23**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

House Bill 4573 would amend several sections of the Community College Act to add a second wage criterion to determine an eligible job for purposes of entering into a New Jobs Training Program agreement and to extend a community college district's authorization to enter into new agreements, or authorize, issue, or sell bonds for such a program, by ten years, with a new end date of December 31, 2033.

Presently, one of the criteria for a community college and an employer to enter into a new jobs training program agreement is that the jobs must pay at least 175% of the state minimum wage (approximately \$17.68 per hour or \$36,764 annually based on a 40-hour work week). The bill would add a second method of determining minimum eligible pay, the county ALICE (Asset Limited, Income Constrained, Employed) household survival budget for a household of one adult and one child. Specifically, this would mean an amount equal to the minimum hourly wage rate necessary to pay the minimal estimate of the total household essentials in the county in which a job is primarily performed, based on the most recent data provided by United for ALICE.<sup>1</sup> Either of these methods could be used to determine whether the pay for the jobs is eligible for an agreement.

MCL 389.161, 389.162, and 389.164

### FISCAL IMPACT:

House Bill 4573 would have a minimal fiscal impact on the state and community colleges. Community colleges would be allowed to issue bonds up to the new expiration date of the program in 2033, which would allow them to finance training programs as intended, resulting in a minimal fiscal impact on participating colleges. Overall program costs would remain at the \$50.0 million bonding cap, with new agreements cycling into the program only if there is enough remaining cap space to do so. According to the most recent report from the Department of Treasury in 2021, approximately \$6.2 million would be available for new training agreements.

### BRIEF DISCUSSION:

The ALICE budget varies across the state, and the calculated wages necessary may be higher or lower than 175% of the state's minimum wage. Those from areas where the ALICE budget wage is lower than 175% of the minimum wage have voiced concern that the bill could lower

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<sup>1</sup> United for ALICE: <https://www.unitedforalice.org/>

the pay for workers in those counties compared to workers doing the same work in another part of Michigan where the ALICE threshold is above 175% of minimum wage.

Supporters of the New Jobs Training Program say that adding a second method of calculating wages provides necessary flexibility to local employers, ensuring that they pay enough to provide employees with a wage that allows them to meet their needs based on the community where they live.

## **POSITIONS:**

Representatives of the following entities testified in support of the bill (6-14-23):

- Michigan Community College Association
- Grand Rapids Community College
- Oakland Community College

The following entities indicated support for the bill (6-21-23):

- Detroit Regional Chamber of Commerce
- Michigan Manufacturers Association

Legislative Analyst: Josh Roesner  
Fiscal Analyst: Perry Zielak

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.