STATE OF MICHIGAN

JENNIFER M. GRANHOLM
GOVERNOR

DEPARTMENT OF HUMAN SERVICES
LANSING

MARIANNE UDOW
DIRECTOR

February 7, 2006

The Honorable Bill Hardiman, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, Michigan 48933

The Honorable Rick Shaffer, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator Hardiman and Representative Shaffer:

Sections 261 and 262 of Public Act 147 of 2005 are integrally tied together and any actions taken to accomplish one section will apply to and affect the other.

Section 261 of 2005 Public Act 147 requires the Department of Human Services (DHS) to report on the status of this section. The section reads as follows: *The department, in conjunction with the county department of human services boards of directors and the department of management and budget, shall develop a plan to restructure local offices. This plan shall include an emphasis on maximization of service while maintaining a reduction in administrative cost. Duplication of services shall be identified and solutions to remove the duplication shall be detailed in the plan. Any plan presented shall ensure that the department provides a presence and services in every county.*

DHS has been working on restructuring local offices and maximizing service delivery for many years.

The primary example of this has been the effort to create dual county operations and where possible to move both operations into a single consolidated office. Attached are documents that show: 1) the number of dual county operations that have been created and the date of their creation, 2) a matrix showing the efficiencies that have been accomplished by dual configurations.

Attached are other documents to show what has been done to: 1) facilitate consolidations mandated by DMB to reduce rent and building occupancy costs, 2) facilitate co-location of DHS staff with staff from other state agencies.

Other examples of what DHS has been doing to maximize services while maintaining a reduction in administrative costs include: 1) creating single business offices for dual counties, 2) creating regional accounting offices for multiple county offices (e.g. Region One Accounting Office), 3) developing Family Resource Centers in local schools, 4) consolidating district offices in Wayne County, 5) develop centralized units to process work (e.g. Healthy Kids), 6) developing central call units, 7) developing a single phone system for Wayne County, and 8) creating Transparent County Lines for assistance payment programs, 9) improving computer processes (e.g. Consolidated Data Inquiry Screen and Automated Find and Fix).

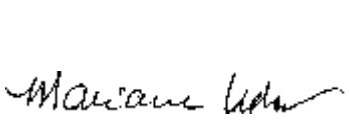
For FY 2006 we are involved with a major restructuring of service delivery for Counties on a regionalized basis. These services will include, but are not limited to 1) juvenile justice services, 2) adoption services, 3) MA error reduction, 4) long-term care determination, and 5) contract coordination/initiation/monitoring.

Jim Nye has contacted the Michigan County Social Services Association and they have agreed to work with the Department of Human Services and the Department of Management and Budget to facilitate working with county human services boards to develop a plan for restructuring local offices and find ways to increase local services delivery effectiveness and maximize use of state resources

Major systems improvements will be implemented in FY 2007 with the introduction of the Bridges system. It is expected that the system will greatly reduce the paperwork of assistance payment staff, allowing them to focus more on human services not just completing paperwork. There are also systems improvements for services staff being developed through the Services Workers Support System to reduce the inputting redundancy of case information.

As you can see, there have been and continue to be many things that DHS is doing to accomplish the mandates of these two sections of PA 147 of 2005. Thank you for the opportunity to highlight this information.

Sincerely,



Marianne Udow

STATE OF MICHIGAN
Family Independence Agency

Service Delivery Administration
235 S. Grand Avenue
Suite 1508
Lansing, MI 48909
www.michigan.gov

Tel: 517 373-3570
Fax: 517 241-7526

Memo

To: Nannette Bowler
Maria Candy
From: Jim Nye
Subject: FIA Plan for Facility Consolidation

Date: February 6, 2003

The following was developed to share with the Governor's Office.

Facility consolidation is in response to DMB directive to reduce rent and building occupancy costs. Most recent correspondence is dated October 28, 2002, see attached.

We approached the need to consolidate facility operations based on three major phases. The first phase involved relocating a variety of central office staff, who worked in county locations to the main FIA office. The second phase focused on reducing the number of FIA offices in a county and centralizing FIA operations in fewer or a single county office. The third phase will continue the reduction of FIA offices in a county and in some smaller dual counties reduce operations in the smallest office to part-time with the partner county providing full-time comprehensive service delivery to both counties. The phases were sequenced to minimize customer impact.

The attached draft plan was jointly developed by DMB, FIA Facilities Management and Field Operations. The following describes the planning considerations we utilize to determine the feasibility and viability of each facility closing.

In Phase I, cost reduction was first achieved by moving central office outstationed staff from multiple lease sites into local FIA office building.

- Kalamazoo County – Office of Quality Assurance staff moved to local office. *Savings: $20,000/year.*
- Midland County – Office of Quality Assurance staff moved to local office. *Savings: $9,000/year.*
- Genesee County – Child Support and Internal Audit staff moved to local office. *Savings $157,000.*

These moves occurred in Fiscal year 2002. Total savings - $186,000. <u>No customer impact</u>.

In Phase II we achieved cost reduction by closing satellite offices in Berrien and Ottawa Counties. These Satellite offices only provided cash assistance and limited fiscal services: <u>No</u> children's or adult services.

- Berrien's Niles office closed September 24, 2002. All staff relocated to Benton Harbor office. *Savings: $60,000.*
- Ottawa's Grand Haven office closed October 24, 2002. All staff relocated to Holland office. *Savings: $92,400.*

We completed geo-mapping for both counties to determine location of current customers. Ottawa established a new bus line between Grand Haven and Holland to facilitate customer travel to Holland office. We established a 1-800 toll-free number in Berrien County for Niles customers to contact the Benton Harbor office.

Total Savings: $152,400. Full-service, full-time office maintained in county.

Wayne County continued to consolidate General Services Administration (cash assistance and fiscal services) District offices.

- Romulus District office closed May 13, 2002.
- Kercheval-Townsend District office closed October 22, 2002.
- Two other sites, Highland Park-Pitkin and Warren-Connor District offices, are scheduled to close by March 31, 2003.

For Phase III other Outstate (all counties except Wayne) County and Satellite offices are being considered for consolidation. See attached listing and space needs. (NOTE: Both Mackinac and Montmorency County discussions are on hold).

The following represents the major issues we consider when determining the feasibility and viability of further office consolidations.

- Geo-mapping: How many customers and where are they located.
- Cost of operation.
- Amount of rental space needed in post-early retirement environment: counties have less staff and managers. Here our preference would be to renegotiate current leases for less space and cost.
- Economies of scale relating to management coverage and staff availability for work assignment.
- Availability of space in other office site(s).
- Maintenance of services access enhancements for customers. These include installing a toll-free telephone number so customers will <u>not</u> incur long distance charges and implementing <u>transparent county lines</u> so customers can access services from the closest FIA office, even if it is not in their county of residence.

For example, in reviewing the potential closing of the Ann Arbor Satellite office and consolidating all staff in the main Ypsilanti office, we found:

- All children and adult services are currently provided from the main, Ypsilanti office.
- The Ann Arbor office has 27 of the total 138 county staff: 23 eligibility staff and 4 administrative support.
- All fiscal operations are currently provided from the main Ypsilanti office.
- The Ann Arbor office is only 6.3 miles from the Ypsilanti office. They are connected by a bus route. Average travel time via bus is 33 minutes, including one transfer.

- Ann Arbor customers can phone Ypsilanti as a local call.
- Approximately 50% of the current Ann Arbor customers actually live closer to the Ypsilanti office.
- A large percentage of the Ann Arbor caseload is composed of Medicaid cases. A significant number of these cases are generated by a nursing home and two hospitals. These and the Social Security Income (SSI) cases have very infrequent contact with local office staff due to the length of their benefit eligibility period.
- The Ypsilanti office will accommodate all Ann Arbor staff with extra space available.
- Due to reduction of staff following early retirement, we need less than half the current rental space for the remaining Ann Arbor staff.
- The office closing will provide $307,600 annual savings.

I hope the above information helps to illustrate the planning and considerations used to determine facility consolidations. Please let me know if you would like to discuss any of this information in further detail.

Attachments (3)

Tentative Outstate Office Consolidations

- DRAFT -

County/City	Lease Expiration/ Cancellation Type/ Notification	Lessor	Proposal	Estimated Net Annual Rent Acct. Savings
Luce Co. Newberry #4481	11/30/08 Standard 30 Days	Goldthorpe Enterprises Route 3, Box 2725 McMillan, MI 49853	Close Newberry Office • Consolidate staff in Chippewa Co. • PT/reduced presence in Newberry	$104,600
Antrim Co. Bellaire #10171	05/31/04 Standard 90 Days	Antrim County Treasurer County Building Bellaire, MI 49615	Close Bellaire Office • Consolidate staff in Kalkaska Co. • PT/reduced presence in Bellaire	$27,600
Charlevoix Co. Charlevoix #10252	12/07/05 Standard 90 Days	Robert & Lucille Ouderkirk 3754 Lake Street Charlevoix, MI 49702	Close Charlevoix Office • Consolidate staff in Emmet Co. • PT/reduced presence in Charlevoix	$128,000
Presque Isle Co. Rogers City #7616	10/31/05 Standard 60 Days	John & Neil Vogelheim 1225 Birchwood, Rogers City, MI 49779	Close Rogers City Office. • Consolidate staff in Alpena Co. • PT/reduced presence in Onaway.	$42,000
Alcona Co. Harrisville #7483	12/31/03 Standard 120 Days	Werth Builders, Inc. P.O. Box 517 Alpena, MI 49707	Close Harrisville Office • Consolidate staff in Iosco Co. • PT/reduced presence in Harrisville	$37,700
Ontonagon Co. Ontonagon #6949	09/01/07 Standard 60 Days	Jill A. Lundgren Trust P.O. Box 85 L'Anse, MI 49946	Close Ontonagon Office • Consolidate staff in Gogebic Co. • PT/reduced presence in Ongonagon	$57,700
Grand Traverse Co. TraverseCity#2414 - & - LeelanauCo.#10390 Lake Leelanau	10/31/06 Standard 120 Days	River Front Plaza, Inc. P.O. Box 75 Elmira, MI 49730	Close Grand Traverse and Leelanau Offices • Consolidate staff of both County Offices in Traverse City SOB * • PT/reduced presence in Lake Leelanau.	$204,500
	01/31/12 Standard 90 Days	Strawberry Enterprises 323 E. Welch Ct. Traverse City, MI 49686		$137,800
Sub-total, Standard Cancellation Clauses				$739,900
Alger Co. Munising #2719	11/04/24 Executive 60 Days	Alger Co. Board of Comms. P.O. Box 538 Munising, MI 49862	Close Munising Office • Consolidate staff in Schoolcraft Co. • PT/reduced presence in Munising	$110,600
Washtenaw Co. Ann Arbor #7625	10/31/06 Executive 60 Days	County of Washtenaw 200 N. Main, Ann Arbor, MI 48107	Close Ann Arbor Office • Consolidate staff in Ypsilanti	$307,600
Sub-total, Executive Cancellation Clauses				$418,200
Mackinac Co. St. Ignace #6406	10/31/04 Legislative Restrictive 60 Days	B&G Development 523 E. Mitchell Petoskey, MI 49770	Close St. Ignace Office • Consolidate staff in Cheboygan Co. • PT/reduced presence in St. Ignace	$26,000
Montmorency Co. Atlanta #2314	12/31/06 Legislative Restrictive 60 Days	Gary & Pamela McMurphy 14860 Airport Road Atlanta, MI 49709	Close Atlanta Office • Consolidate staff in Oscoda • PT/reduced presence in Atlanta	$82,500
Sub-total, Legislative Restrictive Cancellation Clauses				$108,500
Total				$1,266,600

Note: Net Savings reflects estimated annual cost of a satellite office, where appropriate.

Standard Cancellation Clause

"The purpose for which this lease was entered into no longer exists due to it's elimination by Executive or Legislative Action."

Requires Legislative Action to cancel Lease

* There will be an increase in the Occupancy Account.

RECEIVED
DEC 0 4 2002
Services Delivery Administration

Dual County Directors 2000

Zone 1	Director	Phone # 1	Phone # 2	Date
Alger/Schoolcraft	Robyn Loviska	906 387-4440	906 341-4508	Jan-92
Cheboygan/Mackinac	Ken Des Armo	616 627-8531	906 643-6118	Jan-98
Chippewa/Luce	Kathleen Langhals	906 635-4101	906 293-0132	Jan-92
Delta/Menominee	Steve Lieburn	906 786-5394	906 863-1421	Jan-98
Dickinson/Iron	Catherine Angeli	906 779-4150	906 265-0323	Jan-98
Gogebic/Ontonagon	Dale Mac Donald	906 663-6209	906 884-4951	Mar-96
Houghton/Keweenaw	James Aebli	906 482-0500		Nov-84

Zone 2

Alcona/Iosco	William Denemy	517 724-2111	517 362-0303	Apr-92
Alpena/Presque Isle	Robert Roberge	517 354-7200	517 734-2108	Jan-98
Antrim/Kalkaska	Fred Harris	616 533-7327	616 258-1208	Oct-97
Benzie/Leelanau	Mary Marois	616 882-1302	616 256-6106	Sep-96
Charlevoix/Emmet	Terry Salacina	616 547-3713	616 347-2507	Mar-97
Clare/Osceola	Steve Smith	517 539-4246	616 832-4112	Aug-92
Crawford/Otsego	Cindy Pushman	517 348-5121	517 731-3110	Apr-95
Lake/Mason	Felix Younger	616 745-8107	616 845-3262	Mar-93
Missaukee/Wexford	Tom Schwarz	616 779-4501		May-92
Montmorency/Oscoda	Jim Beach	517 785-6013	517 826-4013	Jul-84
Ogemaw/Roscommon	Walter Kaniszewski	517 345-6590	517 275-6800	Apr-98

Zone 3

Barry/Eaton	Vacant	616 948-3205	517 543-5608	Oct-94
Branch/Hillsdale	Connie Dykman	517 279-4220	517 439-2200	Jan-92
Cass/St. Joseph	Chris Kadulski	616 445-0227	616 467-1271	Jul-93
Ionia/Montcalm	Philip Larson	616 527-5248	517 831-8412	Aug-93

Zone 4

Clinton/Shiawassee	Paula Clark	517 224-5502	517 725-3291	Sep-93
Huron/Tuscola	Tom Dillon	810 667-0864	517 269-9201	Feb-93

EFFICIENCIES IN ACTION

DUAL COUNTY	Shared Resources										General Performance																Combined Contracts						Single Central Office Contact										
	Single Program Mgmt. Staff	CPS/APS 24 Hr. On Call	AP Staff	Services Staff	ITT	Volunteer Services	CSS&M/Travel Allocations	Equipment	Joint Staff Meetings	Single Facility	Single Child Welfare License	Single Business Office	Transparent County Lines	Single FS Issuance	Expanded Hours	L.O. Policy & Procedures	Centralized State Cars	Centralized Timekeeping	Centralized Exp. Reconciliation	Centralized Training Coordination	Centralized Mail Distribution	Combined Annual Planning	Joint FIA Board	Joint FIA Board Meetings	Joint Program Staff Meetings	Families First	Emergency Services	CAN/Guardianship	Fams. Together Build Solutions	Child Safety & Permanency Plans	Children's Disability Initiative	Labor Relations	Personnel Services	Contract Coordinator	Intrenal Auditor	AFC Licensing Consultant	Juvenile Justice Consultant	Families First Specialist	CS & PP Specialist	Child Support Specialist	YIT Specialist	Child Welfare Licensing Consultant
Alger/Schoolcraft	X	X		X	X		X		X			X	X	X		X		X	X			X		X	X	X	X	X		X		X	X	X	X	X	X	X	X	X	X	X	X
Cheboygan/Mackinac	X		X	X	X	X	X	X	X			X	X	X		X	X	X	X	X	X	X			X		X	X		X		X	X	X						X	X	X
Chippewa/Luce						X						X	X			X						X		X		X						X	X	X	X		X	X	X	X	X	X
Delta/Menominee					X	X			X			X		X		X						X			X	X						X	X	X	X	X	X	X	X	X	X	X
Dickinson/Iron				X		X	X					X		X		X	X	X				X		X	X							X	X	X	X	X	X	X	X	X	X	X
Gogebic/Ontonagon		X				X			X																X	X						X	X	X	X	X	X	X	X		X	X
Houghton/Keweenaw	X	X	X	X	X	X			X			X	X			X	X	X	X	X					X	X		X		X		X	X	X	X	X	X	X	X	X	X	X
Alcona/Iosco	X	X		X	X	X			X		X					X				X		X			X	X		X				X	X	X	X	X	X	X	X	X	X	X
Alpena/Presque Isle	X	X	X	X	X	X	X	X	X			X	X			X				X		X			X	X				X		X	X			X		X					X
Antrim/Kalkaska	X	X				X	X	X	X			X				X			X	X		X			X	X	X	X		X		X	X	X					X		X	X
Arenac/Gladwin																																											
Benzie/Leelanau	X	X	X	X	X	X	X	X	X			X		X		X		X	X		X	X			X	X							X	X			X	X	X		X	X
Charlevoix/Emmet	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X		X	X	X	X	X		X	X	X	X	X		X		X	X	X	X	X	X	X	X	X	X	X
Clare/Osceola						X																				X				X			X	X									
Crawford/Otsego					X				X			X				X						X		X	X	X					X	X	X	X			X	X	X	X	X	X
Lake/Mason	X	X	X	X	X	X		X	X		X	X	X			X			X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Missaukee/Wexford	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X
Montmorency/Oscoda	X	X		X	X	X			X		X	X		X		X						X	X	X	X	X		X		X		X	X	X	X		X	X	X	X	X	X
Ogemaw/Roscommon	X	X	X	X	X	X	X	X	X			X		X		X				X				X	X	X	X	X		X		X	X	X	X	X	X	X	X	X	X	X
Barry/Eaton	X	X	X	X	X	X	X	X	X		X	X	X		X	X		X	X	X	X	X				X			X			X	X	X	X		X	X	X		X	X
Branch/Hillsdale	X		X	X	X	X	X	X	X							X			X	X		X			X	X		X				X	X	X	X	X	X	X	X	X	X	X
Cass/St. Joseph	X		X	X	X	X	X	X	X			X				X		X		X		X				X	X	X				X	X	X	X	X	X	X	X	X	X	X
Ionia/Montcalm	X		X	X	X	X	X	X	X		X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	X	X
Clinton/Shiawassee	X			X		X			X			X			X				X			X		X	X	X	X					X	X	X	X		X	X	X	X	X	X
Huron/Tuscola	X				X	X	X	X	X				X		X	X			X	X					X	X	X			X		X	X	X	X			X	X	X		X

09/20/2002

JOHN ENGLER
GOVERNOR

Received
NOV 0 4 2002
Outstate Operations

STATE OF MICHIGAN
OFFICE OF THE STATE BUDGET
LANSING

DON GILMER
DIRECTOR

#3614

October 28,2002

copies to: Mark J. Mike S. Jim N. 11/1

MEMORANDUM

TO: Directors of Departments and Autonomous Agencies

FROM: Don Gilmer DG
State Budget Director

SUBJECT: Building Occupancy and Leased Space Savings

I have requested that the Director of the Department of Management and Budget (DMB) take the lead in the development of a statewide cost reduction plan in the area of rent and building occupancy. Continuing budgetary pressures and recent reductions in the state workforce make this task a critical one. The state spends over $235 million annually on building occupancy and rent charges, so even relatively modest savings in this area could be significant.

The Director of DMB and his staff have identified a series of preliminary strategies and areas of immediate attention. They will be working collaboratively with all departments and agencies to refine these ideas, with special emphasis on those agencies heavily affected by early retirement and those with numerous leased offices.

Effective immediately, there will be a freeze on new space requests, except those specifically designed to reduce overall space needs, save money, and/or to cope with relocations due to early retirement. The Director of DMB is empowered to grant exceptions to this freeze, if necessary.

The purpose of this communication is to strongly urge your close collaboration and cooperation with DMB as this plan moves ahead. Agencies that have been independently considering proposals in this area are requested to involve DMB in their plans as soon as possible.

cc: Agency Budget Officers/Chief Financial Officers
Internal Budget Office Distribution

Outstate Office Consolidations

Current Square Feet Occupied
vs.
Post Retirement Square Feet Needed

County/City	Lease Expiration/ Cancellation Type/ Notification	Lessor	Current Square Feet	Post Retirement Square Feet Needed	Difference	Current Rent/ Sq Ft
Luce Co. Newberry	11/30/08 Standard 30 Days	Goldthorpe Enterprises Route 3, Box 2725 McMillan, MI 49853	7,436	4,866	2,570	$16.78
Antrim Co. Bellaire	05/31/04 Standard 90 Days	Antrim County Treasurer County Building Bellaire, MI 49615	6,025	6,422	(397)	$9.15
Charlevoix Co. Charlevoix	12/07/05 Standard 90 Days	Robert & Lucille Ouderkirk 3754 Lake Street Charlevoix, MI 49702	9,600	4,819	4,781	$13.00
Presque Isle Co. Rogers City	10/31/05 Standard 60 Days	John & Neil Vogelheim 1225 Birchwood, Rogers City, MI 49779	5,003	4,741	262	$8.90
Alcona Co. Harrisville	12/31/03 Standard 120 Days	Werth Builders, Inc. P.O. Box 517 Alpena, MI 49707	4,080	4,320	(240)	$10.54
Ontonagon Co. Ontonagon	09/01/07 Standard 60 Days	Jill A. Lundgren Trust P.O. Box 85 L'Anse, MI 49946	5,396	4,925	471	$7.75
Alger Co. Munising	11/04/24 Executive 60 Days	Alger Co. Board of Comms. P.O. Box 538 Munising, MI 49862	5,556	4,715	841	$18.59

Washtenaw County Consolidation

Washtenaw Co. Ann Arbor	10/31/06 Executive 60 Days	County of Washtenaw 200 N. Main Ann Arbor, MI 48107	15,367	7,996	7,371	$18.28
Washtenaw Co. Ypsilanti	10/31/06 Executive 60 Days	County of Washtenaw 200 N. Main Ann Arbor, MI 48107	42,397	21,352	21,045	$19.20
Move Ann Arbor Staff to Ypsilanti	"	"	42,397	26,859	15,538	"

FIA Legislative Briefing Information for Consolidation of the Leelanau County FIA Office into the Grand Traverse County FIA Office

The Leelanau County FIA office is being consolidated into the Grand Traverse County Office. This consolidation is in response to a DMB directive to reduce rent and building occupancy costs and took into consideration the impact on client services, the current staffing allocations, the supervisory availability and the cost implications. There was also consultation with the FIA boards in each county and the Board of Commissioners in each county. Both County Boards have agreed that such a consolidation is prudent. The Grand Traverse FIA office is relocating to a new site.

Client Services:

- Over 40% of the Leelanau County clients (1445) live closer to the Traverse City office than the Leelanau office.
- In Leelanau County, there are 41 FIP cases and 294 Food Assistance cases. The remaining cases are predominantly Medicaid. Food Assistance cases and Medicaid cases require infrequent contact with the local office.
- Children's Protective Services, Adult Protective Services and Adult Independent Services for Leelanau County are already being provided by the Grand Traverse County office.
- Currently, 80% of our Assistance Payments cases are in Grand Traverse County.
- Only two clients in Leelanau County live in an area where long distance charges apply.
- FIA will maintain a presence in Leelanau County. At a cost of $185 per month, space will be rented in Lake Leelanau at the Connie Binsfeld Family Resource Center.
- The new location for the Grand Traverse FIA office is on an established bus route, the old Grand Traverse County office was not.

Supervisory Availability

- There are 8 staff currently at the Leelanau FIA office. Some of these staff have been travelling to Grand Traverse County to cover vacancies.
- Four supervisors are assigned to Grand Traverse, One to Leelanau. All Supervisors travel between the two counties to provide coverage.
- All fiscal operations are handled out of the Grand Traverse office.

FTE Allocation

- Grand Traverse County has a FY 2003 allocation of 42.
- Leelanau County has a FY 2003 allocation of 10 (2 positions recently transferred to Grand Traverse Co)

Cost Implications of Consolidation

- Both local offices are currently leased from private parties. The new lease arrangement for the Grand Traverse County Office would be with the Department of Management & Budget since it is in the State Office Building. The yearly savings will be $165,000.

Consolidation Time Line

Both landlords have been notified. It is anticipated that the consolidation will be completed by July 31, 2003.

Department of Human Services
Facility Five Year Plan

Fiscal Years 2006 – 2010
October 1, 2005 – September 30, 2010

Introduction

The DHS Fiscal Year 2004/05 Appropriation Act, Section 261.(1) states, in part:

The department, with the county family independence agency boards of directors and the department of management and budget, shall develop a 5-year plan in every county to restructure local offices. Issues to be covered shall include service delivery structure, ***facility needs****, caseload size, and administrative support. Any plan presented shall ensure that the department provides a presence and services in every county.* [Emphasis added.]

In order to assess the facility needs of DHS several meetings were conducted within DHS and county directors completed extensive surveys. A list of facilities deemed not suitable was created as a result of this effort. Other categories of needed work were developed, e.g., modular redesign, however, these can be handled in-house at little or no expense and are, therefore, not included in this report. The priority ranking developed by this process was:

- Dickinson County - relocation
- Shiawassee - relocation
- Mackinac - relocation
- Isabella repair/redesign/relocate
- Otsego - redesign
- Kalamazoo - repair/redesign/relocate
- Monroe – redesign/relocate
- Calhoun – repair/redesign

Coincidental with this in-house effort, the Department of Management and Budget engaged the Staubach Company to develop State of Michigan Strategic Real Estate Plan. Staubach contracted with Ghafari Associates to assist with this project. In the development of the DHS portion of the statewide strategic plan a project team comprised of Staubach, Ghafari, DMB and DHS staff engaged in extensive interviews and on-site visits throughout the state. The list developed by this project, in priority order, is:

- Kent County – Grand Rapids
- Dickinson County – Iron Mountain
- Isabella County – Mount Pleasant
- Genesee County – Pierson Road District Office
- Shiawassee County – Owosso
- Mackinac County – St. Ignace
- Kalamazoo County – Kalamazoo

The two projects have been consolidated and the results presented in the Department of Human Services Five-Year Facility Plan.

Forthcoming Issues Affecting the Plan

1. Funding

   The Field Operations portion of these recommendations are approximately $7.3 million. Field Operations is and will continue to experience a shortage of CSS&M and Equipment funding for the foreseeable future. Therefore, even though these projects are seen as necessary it is presumed that without a specifically earmarked funding appropriation that pursuit of these projects will be impossible.

2. Fiscal Year 2005/06 proposed Boilerplate states:

   The Department, in conjunction with the County Family Independence Agency Boards of Directors and the Department of Management and Budget, shall develop a plan to restructure and consolidate Zone Offices and Local Offices. This plan shall include an emphasis on maximization of services while maintaining a reduction in administrative costs. Duplication of services shall be identified and solutions to remove the duplication shall be detailed in the plan. Any plan presented shall ensure that the Department provides a presence and services in every county. The plan shall be submitted to the Senate and House appropriations Subcommittees for the Department Budget by January 15, 2006 and shall include an implementation date during the 2005 –2006 fiscal year.

   The results of this plan will, of course, impact the proposals contained in the Facility Five-Year Plan and, vice versa. However, until the 2005/06 plan is finalized, it is impossible for foresee the impact. The requirement for this plan makes the Facility Five-Year Plan obsolete before it is implemented.

3. BRIDGES Impact

   The BRIDGES project is a 3 – 5 year systems project intended to provide worker relief, reduce operational expense and refine the client service environment. At some point during the project, it may be determined that reconfiguration of all local offices will be necessary based on changed business processes due to BRIDGES.

4. Co-location Efforts

   DHS is continually seeking opportunities to co-locate with other state and local agencies. The Department has been working with DLEG for two years seeking co-location efforts between DHS and Michigan Works Agencies. There has been one successful co-location (Manistee); additional co-locations will occur as opportunities are identified.

5. Office Consolidation & Staffing

DHS County Offices consolidations are being driven by staffing shortages, i.e., there are not enough staff to adequately staff two adjacent County Offices. Therefore, all staff merge into one of the two offices; a satellite office is established in the county that lost the full-time office. Satellite offices allow clients access without excessive travel and allow DHS to comply with the requirements of the Social Welfare Act that an office be located in every county. Additional unanticipated office consolidations may occur because staffing drops below that number adequate to maintain two offices.

Review and Update

The Plan will be distributed, reviewed and updated, as necessary, on an annual basis in a timeframe to coincide with the budget preparation cycle. Therefore, the period of time comprising the "five year" plan period will advance one year annually.

Department of Human Services
Recent Facility Closures/Consolidations

Facility	City/County	Action	Results
Genesee Valley Regional Center	Flint/Genesee	Transferred	Genesee County assumed ownership
Portage Quality Assurance Office	Portage/Kalamazoo	Closed	Staff moved to Kalamazoo Co. Office
Midland Quality Assurance Office	Midland/Midland	Closed	Staff moved to Midland County Office
Berrien County Niles Satellite Office	Niles/Berrien	Closed	Staff moved to Benton Harbor Office
Kercheval/Townsend District Office	Detroit/Wayne	Closed	Staff moved to other District Offices
Grand Haven Satellite Office	Grand Haven/Ottawa	Closed	Staff moved to Holland FIA Office
Romulus District Office	Romulus/Wayne	Closed	Staff moved to other District Offices
899 Baltimore	Detroit/Wayne	Closed	Storage space paid by Wayne CC&M
Conner/Warren District Office	Detroit/Wayne	Closed	Staff moved to other District Offices
Highland Park/Pitkin District Office	Highland Park/Wayne	Closed	Staff moved to other District Offices
Ann Arbor Satellite Office	Ann Arbor/Washtenaw	Closed	Staff moved to Ypsilanti FIA Office
Leelanau County Office	Leland/Leelanau	Closed	Staff moved to Traverse City SOB
Grand Traverse County Office	Traverse City/Grand Traverse	Closed	Staff moved to Traverse City SOB
Carriage Factory	Flint/Genesee	Closed	Staff moved to other District Offices
Cascade Commons	Grand Rapids/Kent	Closed	Reduced space need
Hospital Corridor	Detroit/Wayne	Closed	Staff moved to other District Offices
Harper Gratiot	Detroit/Wayne	Closed	Staff moved to other District Offices
Charlevoix County DHS Office	Charlevoix/Charlevoix	Closed	Consolidate staff @ Emmet Co. Office
Baraga Satellite	Baraga	Closed	Staff moved to Co. Office
Osceola County DHS Office	Reed City/Osceola	Closed	Staff moved to Mecosta FIA Office
Manistee DHS Office & Michigan Works	Manistee/Manistee	Consolidated	Both organizations housed in same facility
Lincoln Park	Lincoln Park/Wayne	Closed	Staff moved to other District Offices
Fullerton	Detroit/Wayne	Closed	Staff moved to other District Offices
St. Joseph Satellite Office	St. Joseph	Closed	Staff consolidated @ St. Joseph Office
Albion Satellite	Albion/Calhoun	Closed	Staff consolidated @ Battle Creek Office
Hillsdale Satellite	Hillsdale	Closed	Staff consolidated Main Hillsdale Office
Hollister Building	Lansing/Ingham	Closed	Staff consolidated in Grand Tower
Home Weatherization	Lansing/Ingham	Closed	Staff consolidated in W. Saginaw Office
Iosco Satellite	Iosco	Closed	Staff consolidated in Tawas City Office
Kalamazoo Park Place	Kalamazoo/Kalamazoo	Closed	Staff consolidated at other facilities
ODS Training	Novi/Oakland	Closed	Function moved to Cadillac Place
Oakland Saginaw St. Satellite	Pontiac/Oakland	Closed	Staff consolidated at Saginaw St. Office
Oceana Satellite	Oceana	Closed	Staff consolidate at Hart Office
Flint BRS	Flint/Genesee	Closed	Staff consolidated at Pierson Rd. Office
Jackson BRS	Jackson/Jackson	Closed	Staff moved to Jackson DHS Office
Kalamazoo BRS	Kalamazoo/Kalamazoo	Closed	Staff moved to Kalamazoo DHS Office
Marquette BRS	Marquette/Marquette	Closed	Staff moved to Marquette DHS Office
Mt. Pleasant BRS	Mt. Pleasant/Isabella	Closed	Staff moved to Isabella DHS Office

JENNIFER M. GRANHOLM
governor

State of Michigan
Department of Labor & Economic Growth
Lansing

DAVID C. HOLLISTER
director

Status Report on Co-location – FIA-MWA One Stops
As of March 11, 2004

- On January 13, 2004 a letter was sent out to all Michigan Works! Agencies (MWA) requesting that all MWA directors contact their local Family Independence Agency (FIA) directors to discuss the possibility of co-location in their county. A similar letter was sent out by FIA on February 13, 2004 to all of their FIA offices.

- On March 9, 2004 all responses that were received by the Office of Workforce Development (OWD) and FIA were compiled into a matrix.

- On March 10, 2004 a meeting took place with Janet Howard, Terry Salacina, Brian Marcotte, John Helrigel, and Lisa Dove to discuss the findings and determine which sites were viable options for co-location. The following two sites are currently co-locating:

  - Menominee
  - Manistee

  The MWAs and FIAs in the following locations had previously co-located within the same complex/campus:

  - Midland County
  - Emmet County

  Two sites are actively attempting to co-locate within the next fiscal year:

  - Oakland County - Pontiac
  - Osceola County

  Based on lease expiration dates and/or the availability of a third site location, the following seven sites may find it necessary to pursue co-location within the next fiscal year:

  - Calhoun County-Albion
  - Clinton County
  - Dickinson County
  - Shiawassee County
  - Lapeer County
  - Iron County
  - Baraga County

- The Calhoun County MWA has established a presence in the CAN school service center, which can be considered a co-location success. Similar partnerships will be explored as the next twenty CAN sites roll out.

Attachment

MWA County-City	Lease Type Expires	Reason for Co-location	Lease Type Expires	FIA County-City
Job Force Menominee-Menominee	Standard Aug-2004	The MWA will need the large conference room while FIA will retain the small conference room.	Standard Dec-2011	Menominee County Menominee
Northwest Manistee-Manistee	Executive	has been in contact with the landlord to discuss floor plans and the required structural changes.	Executive 2012	Manistee County Manistee

reviously Co-Located

MWA County-City	Lease Type Expires	Reason for Co-location	Lease Type Expires	FIA County-City
Northwest Emmet-Petoskey	Executive Negotiating	MWA offered extra space to the FIA for overflow, but FIA did not need that space.	Executive 2021	Emmet County Petoskey
Saginaw/Midland/Bay Midland-Midland	Standard Jan-2008	The FIA and MWA are two doors away from each other. The MWA is at capacity and the FIA can house	Executive 2005	Saginaw/Midland/Bay Midland

ly Attempting Co-loc

MWA County-City	Lease Type Expires	Reason for Co-location	Lease Type Expires	FIA County-City
Oakland Oakland-Pontiac	Standard Jun-2007	Work First provider may be able to co-locate into one of the FIA district offices. A move would not be	Executive Oct-2012	Oakland County Pontiac
West Central Osceola-Reed City	Standard Dec-2009	Neither organization has the space to co-locate. Should the Osceola FIA merge with Mecosta, the	Standard 2006	Osceola County Reed City

Based on Lease Expiration and 3rd Site Availability

MWA County-City	Lease Type Expires	Reason for Co-location	Lease Type Expires	FIA County-City
Calhoun ISD Calhoun-Albion	Standard Sept-2004	room for the MWA. Should the FIA satellite close, the LOD will explore placing FIA staff into the MWA.	Executive Jul-2004	Calhoun County Albion
Capital Area Clinton-St. Johns	Standard Jun-2004	Interest has been voiced by Jan Basler, the Director of Clinton County. However, due to unknown funding, the	Standard 2006	Clinton County St. Johns
Career Alliance Shiawasee-Owosso	Standard 2006	Space is limited at the FIA and the MWA, and the MWA was denied more space by the building owner.	Legislative 2004	Shiawasee County Owosso
Job Force Dickinson-Iron Mountain	Standard Nov-2004	Neither organization has space to accommodate a co-location. MWA and FIA are willing to consider a 3rd	Standard Dec-2007	Dickinson County Iron Mountain
Thumb Area Lapeer-Lapeer	Standard 2004	Based on service delivery factors, the MWA and FIA do not wish to co-locate. However, the lease ending dates	Executive 2005	Lapeer County Lapeer (training)
Western UP Iron-Caspian	Standard 2006	Due to space limitations in both facilities, the MWA and FIA do not wish to co-locate. The lease ending	Legislative 2004	Iron County Iron
Western UP Baraga-L'Anse	Standard 2006	The LOD is pursuing MWA interest in co-locating into the FIA. Currently, the MWA leases from the American		Baraga County Baraga