



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING



Nick Lyon
Interim Director

January 29, 2015

The Honorable Peter MacGregor, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, Michigan 48933

The Honorable Earl Poleski, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, Michigan 48933

Dear Senator MacGregor and Representative Poleski:

Section 403(2) of 2014 Public Act No. 252 requires the Department of Human Services (DHS) to report the following information:

The department shall provide quarterly status reports to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, and house and senate policy offices on Michigan rehabilitation services that include all of the following items:

- a) *Reduction and changes in administration costs and staffing.*
- b) *Service delivery plans and implementation steps achieved.*
- c) *Reorganization plans and implementation steps achieved.*
- d) *Plans to integrate Michigan rehabilitation services programs into other services provided by the department.*
- e) *Quarterly expenditures by major spending category.*
- f) *Employment and job retention rates from both Michigan rehabilitation services and its nonprofit partners.*
- g) *Success rate of each district in achieving the program goals.*

Please see the attached report, which contains the information as required by the Public Act.

If you have any questions, please contact Terrence M. Beurer, director, Field Operations Administration, at (517) 373-3570.

Sincerely,

Susan Kangas
Chief Financial Officer

Cc: Senate and House Appropriations Subcommittees on DHS
Senate and House Fiscal Agencies
Senate and House Policy Offices

a) *Reduction and changes in administration costs and staffing:*

The number of total Full Time Equated (FTE) positions for Michigan Rehabilitation Services (MRS) decreased by 4.5 FTEs for the first quarter of Fiscal Year 2015 (October 1, 2014 to December 31, 2014).

The MRS Administrative Staff (Central Office) was 31 FTEs at the beginning of the first quarter of Fiscal Year 2015 (October 1, 2014) and was 32 FTEs at the end of the first quarter (December 31, 2014).

b) *Service delivery plans and implementation steps achieved:*

The DHS/DTMB Core Planning Team, is finalizing the floor plan so that construction can begin on the Detroit Clark Street Office (which consolidates the Fort Street, Hamtramck and Porter Street offices). The targeted move-in date is August 2015.

The initial planning meeting regarding the floor plan for the Western Wayne District relocation is scheduled to occur in the 2nd quarter of this fiscal year.

DHS has implemented a new business model of providing services where our clients are rather than having the clients come to DHS. This is accomplished by establishing worksites in locations other than DHS local offices as well as having workers be truly mobile with no actual work location but rather being out in the field using smartphones and tablets. MRS, as part of DHS, is also implementing this business model through a Mobile Workers Project. Phase 1 of the Mobile Workers Project which involves staff within the Detroit Renaissance District, will be fully implemented by the end of January 2015. Meetings will continue in the 2nd quarter of this fiscal year as we anticipate more workers in other districts also becoming mobile through Phase II implementation which is scheduled to begin in February 2015.

c) *Reorganization plans and implementation steps achieved:*

Consolidation of MRS district offices has resulted in a reduction of the number of district offices from fourteen to eleven. Also, consolidation has resulted in four field offices being combined into two.

d) *Plans to integrate Michigan rehabilitation services programs into other services provided by the department:*

Michigan Career and Technical Institute (MCTI) continues to integrate programs and services to reach and serve mutual customers served by DHS and Michigan Rehabilitation Services (MRS) throughout the state. This is being achieved through the following three initiatives:

1. Partnership Accountability Training Hope (PATH): MCTI continues to bring a strong curriculum of educational and literacy resources into communities to reach out to (PATH) participants in Benton Harbor.

In collaboration with Michigan Works!, MCTI worked with Kinexus to deliver its second Certified Nursing Assistant (CNA) training session in Benton Harbor. The three week prep program and eight week CNA program was held on site at the Michigan Works Agency! (MWA) office in Benton Harbor. MCTI provided the curriculum and instructions for the training. The current group of 12 participants is expected to graduate in January 2015.

As a part of this effort, DHS customers were referred to the local MRS office and cases were opened on each individual. The MRS office purchased a variety of psychological, achievement, personality and cognitive tests in order to determine eligibility for rehabilitation services. Once eligibility was determined,

an Individualized Plan for Employment (IPE) was developed with each customer. The advantages of having DHS customers determined eligible for MRS are as follows:

- As individuals eligible for MRS services, they qualified for individual accommodations for state testing, which significantly increased the success rate for many of these customers.
 - On-going support for job search and job retention.
2. MCTI is initiating a CNA training program in Wayne County due to the success of the program in Benton Harbor. In alignment with department goals, on October 1, 2014, MRS/MCTI staff held the first collaborative partnership meeting with the Workforce Development Agency in Detroit to discuss the implementation steps for the CNA program that will be customized to meet the needs of participants from Wayne County. Site visits for potential locations for the training in Wayne County were made in November to the American Red Cross and the Resource Network. Wayne County Community College will also be a partner in this program.
 3. MCTI is participating in the development of a Michigan Supplemental Nutrition Assistance Program (SNAP) Pilot which would open doors towards economic independence and opportunity for individuals with disabilities while decreasing dependency on public assistance.

The intent of the pilot is to assist adults, as well as youth and families who are receiving Supplemental Security Income (SSI) and SNAP, in engaging in training and potential employment opportunities in an effort to increase self-sufficiency skills and provide productive alternatives to public assistance for individuals with disabilities and their families. This is collaboration between DHS, Department of Community Health (DCH), Michigan Works Agencies, the Workforce Development Agency and MCTI.

A Request for Proposal (RFP) for a grant in the amount of \$7 million dollars for three years was submitted to the Food and Nutrition Service (FNS) in November 2014; notification for those awarded a grant is expected in February 2015. If approved, this pilot will be implemented in Genesee, Saginaw and Wayne counties.

e) *Quarterly expenditures by major spending category:*

Fiscal Year 2015 - 1st Quarter Expenditures	
PROGRAM AREA:	DHS - Michigan Rehabilitation Services
LINE ITEM:	81520
Spending Category:	Expenditures:
Employee Costs *	11,678,226
CSS&M Costs	628,890
Facilities Costs	3,045
Direct Client Services	4,373,656
Contract Costs	250,981
IT	-
Travel	86,570
Training	27,007
Other	-
Total	17,048,375

* \$10,687,219 of the Employee Costs is for field staff

f) Employment and job retention rates from both Michigan rehabilitation services and its nonprofit partners.

The employment rate (or job retention rate) is defined as the number of customers that successfully obtain and maintain employment for 90-days.

MRS counselors and their nonprofit partners work closely together to secure successful competitive employment outcomes for their mutual customers. All client cases are supervised by an MRS counselor and may be served by multiple service providers based on the nature of their disability and their individual rehabilitation plan. Due to the nature of this collaboration, it is very difficult to distinguish separate employment rates for MRS and its nonprofit partners. MRS is working to identify new ways to capture and analyze case service data in order to better measure the impact of vendor partner services on customer employment and retention rates.

The chart below provides the following information by district site:

Annual Projected Employment Goal: The total number of customers projected to obtain and maintain competitive employment by September 30, 2015.

Number of Customers who Attained Competitive Employment During the First Quarter of Fiscal Year 2015: The total number of customers whose cases were closed as they successfully obtained and maintained employment for 90 days, between October 1, 2014 through December 31, 2014, as it relates to the annual goal.

Percentage of Customers who Attained Competitive Employment During the First Quarter of Fiscal Year 2015: The percentage of customers whose cases were closed successfully as they obtained and maintained employment for 90 days, between October 1, 2015 and December 31, 2014, as it relates to the annual goal.

Annual Projected Goals/Goals Attained 1st Quarter Fiscal Year 2015 – October 1, 2014 through December 31, 2014			
District Site	Annual Projected Employment Goal by District	Customers who Attained Competitive Employment During the 1 st Qtr.	Percentage of Customers who Attained Competitive Employment During the 1 st Qtr.
Ann Arbor	436	111	25.5%
Detroit Renaissance	1,080	151	14.0%
Grand Rapids	442	140	31.7%
Lansing	364	143	39.3%
Eastern & Macomb	1,043	164	15.7%
Marquette	207	42	20.3%
Northern & Mid-Michigan	775	170	21.9%
Oakland	570	88	15.4%
Southwestern	561	106	18.9%
Wayne	687	108	15.7%
West Central	530	155	29.2%
TOTAL	6,695	1,378	20.6%

g) Success rate of each district in achieving the program goals.

The success rate (or rehabilitation rate) is a federally-specified performance indicator defined as the percentage of clients, who after establishing a plan for employment within the Vocational Rehabilitation system, successfully complete rehabilitation services and obtain and maintain competitive employment for at least 90 days.

Success Rates for MRS Districts (1st Quarter FY 2015 – October 1, 2014 through December 31, 2014)	
Ann Arbor	58%
Detroit Renaissance	44%
Grand Rapids	66%
Lansing	70%
Eastern & Macomb	48%
Marquette	38%
Northern & Mid-Michigan	50%
Oakland	48%
Southwestern	51%
Wayne	48%
West Central	62%