



STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

NICK LYON
DIRECTOR

July 31, 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 Michigan Department of Health and Human Services (MDHHS) 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 questions regarding this, please contact Terrence M. Beurer, Director, Field Operations Administration, at (517) 373-3570.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nick Lyon".

Nick Lyon

CC: Senate and House Appropriations Subcommittees on DHS
Senate and House Fiscal Agencies
Senate and House Policy Offices
State Budget Director

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

The number of total Full Time Equated (FTE) positions for Michigan Rehabilitation Services (MRS) increased by 22.6 FTEs for the third quarter of Fiscal Year 2015 (April 1, 2015 to June 30, 2015).

The MRS Administrative Staff (Central Office) was 31 FTEs at the beginning of the third quarter of Fiscal Year 2015 (April 1, 2015) and increased to 32 FTEs at the end of the third quarter (June 30, 2015).

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

The MDHHS/DTMB Core Planning Team has finalized the floor plan and construction is currently under way at the Detroit Clark Street office (which consolidates the Fort Street, Hamtramck and Porter Street offices) as well as the Western Wayne District office. The targeted move-in date for the Clark Street office has been moved from August 2015 to November 2015. The move-in date for the Western Wayne office is January 2016. There is a weekly building progress conference call for both projects.

MRS is working in conjunction with the department on implementation of the Mobile Worker Project. After utilizing training modules provided by the department, MRS has at this time completed the initial phase of this project through the deployment of 13 Vocational Rehabilitation (VR) Counseling staff to the field. Mobile Worker VR Counselors utilize available space in the community to meet customers at ancillary partner agencies. Mobile work staff are outfitted with essential technology to assist them in the performance of their jobs. Due to technical difficulties with equipment, Phase II implementation has been delayed until the fourth quarter of this fiscal year.

c) *Reorganization plans and implementation steps achieved:*

The bureau-wide reorganization plans and implementation steps have been achieved. We are working to establish a permanent district manager position in the Eastern District to ensure consistency in support of continuing essential partnership agreements and increased joint initiatives.

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

Michigan Career and Technical Institute (MCTI) continues to integrate and export programming and services to reach and serve mutual customers served by MDHHS and MRS. This is being achieved as follows:

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

MCTI, in a continuing partnership with the MI Works!/Kinexus in Benton Harbor, has completed its third Certified Nursing Assistant (CNA) training session in Benton Harbor. To date, 37 individuals have been successfully trained through this partnership and there is a waiting list for the next session that is expected to begin this fall.

2. **Expansion of Certified Nursing Assistant (CNA):**

- Training was completed for the first CNA training session at the Detroit Resource Network. Eleven individuals were successfully trained and they are in the process of completing their state certification testing. There is a list of interested individuals for another session.
- The first CNA training session in partnership with Char-Em Health Occupational Labs and Bay Bluff in Harbor Springs will begin in July 2015.

3. **Farm Bill – SNAP Grant:** MCTI requested a grant from the Food and Nutrition Service (FNS) for the development of a Michigan Supplemental Nutrition Assistance Program (SNAP) pilot. We received notification that our request was not selected for this grant. We did inquire as to why we were not selected but have not received an answer from FNS. Based on the grant criteria, we will not be able to reapply and do not have alternate funding to develop the pilot.

4. **Lansing** – Discussions with Capital Area Career Center and Applied Technology Systems/ATTI of Michigan to initiate an advanced manufacturing program has stopped for this fiscal year but we are continuing to explore this initiative for next fiscal year.

e) *Quarterly expenditures by major spending category:*

Fiscal Year 15 – 3rd Quarter Expenditures	
Program Area	DHHS - Michigan Rehabilitation Services
Line Item	81520
Spending Category	Expenditures
Employee Costs*	\$11,143,677.00
CSS&M Costs	\$961,319.00
Facilities Costs	\$3,725.00
Direct Client Services	\$8,561,534.00
Contract Costs	\$572,253.00
IT	\$7,072.00
Travel	\$129,150.00
Training	\$39,225.00
Total	\$21,417,955.00

* \$10,215,909.00 of the Employee Costs was 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.

The chart below provides the following information by MRS district site:

Annual Projected Goals/Goals Attained 1 st , 2 nd and 3 rd Quarter Fiscal Year 2015 – October 1, 2014 through June 30, 2015			
District Site	Annual Projected Employment Goal by District	Customers who Attained Competitive Employment During the 1 st , 2 nd , and 3 rd Quarters	Percentage of Customers who Attained Competitive Employment During The 1 st , 2 nd , and 3 rd Quarters
Ann Arbor	436	304	69.7%
Detroit Renaissance	1,080	530	49.1%
Grand Rapids	442	316	71.5%
Lansing	364	330	90.7%
Eastern & Macomb	1,043	507	48.6%
Marquette	207	148	71.5%
Northern & Mid-Michigan	775	483	62.3%
Oakland	570	344	60.4%
Southwestern	561	327	58.3%
Wayne	687	383	55.7%
West Central	530	346	65.3%
Total	6,695	4018	60.0%

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

Number of Customers who Attained Competitive Employment During the First, Second and Third Quarters 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 and June 30, 2015, as it relates to the annual goal.

The chart below provides this information for MRS' nonprofit partners:

Purchased Placement Services 1 st , 2 nd and 3 rd Quarters Fiscal Year 2015 – October 1, 2014 through June 30, 2015	
Vendor	Customers who Attained Competitive Employment During the 1 st , 2 nd and 3 rd Quarters
Michigan Association of Rehabilitation Organizations (MARO)	811
Non-MARO	1,008
Total	1,819

g) Success rate of each district in achieving 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 Rate for MRS Districts (1 st , 2 nd and 3 rd Quarters FY 2015 – October 1, 2014 through June 30, 2015)	
Ann Arbor	57%
Detroit Renaissance	52%
Grand Rapids	63%
Lansing	69%
Eastern & Macomb	51%
Marquette	55%
Northern & Mid-Michigan	54%
Oakland	60%
Southwestern	60%
Wayne	47%
West Central	62%