



STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

MAURA D. CORRIGAN
DIRECTOR

February 13, 2014

The Honorable Bruce Caswell, Chair
Senate Appropriations Subcommittee on DHS
Michigan State Senate
Lansing, MI 48933

The Honorable Peter MacGregor, Chair
House Appropriations Subcommittee on DHS
Michigan House of Representatives
Lansing, MI 48933

Dear Senator Caswell and Representative MacGregor:

Section 403(2) of 2013 Public Act No. 59 requires the Department of Human Services (DHS) to report the following information:

The department shall provide quarterly status reports to the senate and house appropriation subcommittee on the department budget, the senate and house fiscal agencies, and house and senate policy offices on Michigan rehabilitation services that will include 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.*

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

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

Sincerely,

A handwritten signature in blue ink that reads "Susan Kangas".

Susan Kangas
Chief Financial Officer

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

Section 403(2) of 2013 Public Act No. 59 requires the Department of Human Services (DHS) to report the following information on a quarterly basis:

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 8.8 FTEs for the first quarter of Fiscal Year 2014 (October 1, 2013 to December 31, 2013).
- The MRS Administrative Staff (Central Office) was 32 FTEs at the beginning of the first quarter of Fiscal Year 2014 (October 1, 2013) and remained at 32 FTEs at the end of the quarter (December 31, 2013).

b) Service delivery plans and implementation steps achieved:

- This is a work in progress and MRS is taking action steps towards alignment. Currently, there are DHS offices with MRS staff housed in them and MRS counselors are already in some schools.

c) Reorganization plans and implementation steps achieved:

- In the first quarter of FY14, DHS and MRS have had several meetings and subsequent communications on reorganizational plans for MRS. Various organizational structures have been discussed and Civil Service rules are being reviewed and clarified along with federal regulations governing the organizational structure of MRS. The final reorganizational plan is expected in the second quarter of FY14 with implementation to follow.

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

- MRS is doing more outreach to connect with clients that both MRS and DHS serve.
- The Michigan Career Technical Institute (MCTI) has prepared a comprehensive 3-year strategic plan, outlining key strategies to expand post-secondary training and employment options for At-Risk DHS populations that were presented to DHS Executive Staff in January 2014. Further action will be taken during the next quarter of the fiscal year.
- MRS programming has begun implementation of the referral process of Adjudicated Youth at the appropriate MRS district office for application processing and service determination. The Adjudicated Youth Program committee is currently seeking to secure departmental Interagency Cash Transfer Agreements for program funding costs.

e) Quarterly expenditures by major spending category:

FY 14 - 1st Quarter Expenditures	
PROGRAM AREA:	DHS - Michigan Rehabilitation Services
LINE ITEM:	81520
Spending Category:	Expenditures:
Employee Costs	\$10,469,003
CSS&M Costs	\$594,373
Facilities Costs	\$0
Direct Services to Customers	\$4,158,785
Contract Costs	\$174,351
IT	\$0
Travel	\$97,447
Training	\$31,484
Other	\$0
Total	\$15,525,443