



STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

MAURA D. CORRIGAN
DIRECTOR

July 17, 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 6.5 FTEs for the third quarter of Fiscal Year 2014 (April 1, 2014 to June 30, 2014).
- The MRS Administrative Staff (Central Office) was 29 FTEs at the beginning of the third quarter of Fiscal Year 2014 (April 1, 2014) and was 31 FTEs at the end of the third quarter (June 30, 2014).
- MRS is in the process of hiring 21 employees (18 Rehabilitation Counselors, 2 Domestic Services Workers, and 1 Vocational Rehabilitation Manager). The Rehabilitation Counselors will all be hired before August 2014. The Domestic Service Workers and Vocational Rehabilitation Manager are still pending DHS' approval. Currently, we have 39 unassigned vacancies within our Bureau and we will be requesting to hire 21 employees out of the 39. We are in the process of identifying the locations and classifications for these unassigned vacancies.

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

- Continued planning and preparation of three MRS Detroit sites (Fort Street, Porter Street, and Hamtramck) is progressing. Training with staff that is moving to a mobile worker concept is taking place and planning discussions are in process. Implementation processes are scheduled to be completed by December 2014. We have one counselor now working as a mobile worker in Montcalm County.

c) *Reorganization plans and implementation steps achieved:*

- MRS has finalized plans for reorganization, while providing continuous service delivery.
- The final plan for MRS reorganization has been submitted to DHS executive management for approval.
- Further advancement of the merging of the two district offices (Macomb/Eastern; and Northern/Mid-Michigan) continues to proceed as these offices are working productively to coordinate oversight, staffing and operational duties.

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

- Michigan Career Technical Institute (MCTI) is making strides in outreach to mutual customers served by DHS and MRS. This is being achieved through three initiatives that have been established and implemented to export services to other areas of the state. The three initiatives are:
 1. In collaboration with Michigan Works!, MCTI worked with Kinexus trainers and assisted them to increase the number of PATH participants, who may have learning disabilities, to successfully complete and graduate from their Certified Nursing Assistant Program (CNA). Because of the MCTI outreach to Kinexus, 13 additional PATH participants who may have dropped out due to significant learning disabilities will graduate from the Certified Nursing Assistant program in July. Michigan Rehabilitation Services also opened cases on these individuals to assist them with job development and placement services upon graduation.
 2. MCTI, and the Business Network Unit (BNU), also part of MRS, in collaboration with Meijer, are working to continue to provide viable candidates for employment at distribution centers in Lansing, Michigan and Middlebury, Indiana. They have referred 64 individuals for jobs at Meijer; 25 have been hired. In addition, they are working collaboratively to access specific ancillary services the employer may want to provide onsite to employees, such as access to representatives from DHS, MRS and other agencies. MRS staff is working closely with Meijer staff to establish procedures and a system that allows Meijer employees to access these services while on the job.

3. MCTI has implemented an online employability software tool that is currently being used in Battle Creek and Benton Harbor with discussions also underway with Kalamazoo DHS. This tool provides customers with the ability to assess their math and reading skills in order to increase their employment options.
- 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 – 3rd Quarter Expenditures	
PROGRAM AREA:	DHS - Michigan Rehabilitation Services
LINE ITEM:	81520
Spending Category:	Expenditures:
Employee Costs*	\$11,266,478
CSS&M Costs	\$776,151
Facilities Costs	\$3,052
Direct Services to Customers	\$8,775,793
Contract Costs	\$587,595
IT	\$9,691
Travel	\$128,367
Training	\$38,422
Other	\$0
Total	\$21,585,548

* \$10,395,586 of the Employee Costs was for MRS Field Staff