



STATE OF MICHIGAN
DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

NICK LYON
DIRECTOR

April 23, 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 Health and Human Services (DHHS) 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 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
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) decreased by 19.4 FTEs for the second quarter of Fiscal Year 2015 (January 1, 2015 to March 31, 2015).

The MRS Administrative Staff (Central Office) was 31 FTEs at the beginning of the second quarter of Fiscal Year 2015 (January 1, 2015) and was 30 FTEs at the end of the second quarter (March 31, 2015).

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

The DHHS/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.

Planning for the floor plan for the Western Wayne District relocation continues.

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 thirteen 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 will now begin during the 3rd quarter of Fiscal Year 2015. Additional MRS staff will be trained and deployed through the Mobile Worker initiative.

c) *Reorganization plans and implementation steps achieved:*

Due to significant and essential partnership agreements and increased joint initiatives with the business community, as well as requests from partners and the need for a more predominant district manager presence, MRS made revisions to the organizational structure by returning the Eastern District to a fully functioning district with an assigned manager. This has assisted MRS in maintaining essential partnerships and quality services to our customers.

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 DHHS 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, will provide its third Certified Nursing Assistant (CNA) training session in Benton Harbor.

We continually review current needs from the latest labor market information as we consider expansion of programs across the state.

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

- Training is scheduled to begin in Wayne County in April;
- Discussions have begun regarding a partnership with Char-Em Health Occupational Labs for a program in Charlevoix and Emmet counties as well as with Everett Institute for a program in Kalamazoo County

3. **Farm Bill – SNAP Grant:** MCTI has requested a grant for the development of a Michigan Supplemental Nutrition Assistance Program (SNAP) Pilot. The goal of this pilot will be to open doors towards economic independence while increasing opportunities for individuals with disabilities to reduce dependency on public assistance by providing alternatives and increasing self-sufficiency skills. DHHS, MI Works! Agencies, Workforce Development Agency and MCTI will work together to reduce barriers between programs and departments to enhance and provide efficient programming to customers. Target areas for this pilot are Genesee, Saginaw, and Wayne counties. The request for this grant was submitted in November 2014, and while we had expected notification of the award by February 2015, we are still waiting for notification.

4. **Lansing** – MCTI is currently in discussions to initiate an advanced manufacturing program. This would be a partnership with Capital Area Career Center, and Applied Technology Systems/ATTI of Michigan.

e) **Quarterly expenditures by major spending category:**

Fiscal Year 15 - 2nd Quarter Expenditures	
Program Area	DHHS - Michigan Rehabilitation Services
Line Item	81520
Spending Category	Expenditures
Employee Costs*	\$11,135,996.00
CSS&M Costs	\$915,345.00
Facilities Costs	\$4,002.00
Direct Client Services	\$8,439,995.00
Contract Costs	\$482,857.00
IT	\$4,493.00
Travel	\$117,038.00
Training	\$38,111.00
Other	\$0.00
Total	\$21,137,837.00

* \$10,229,918 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 and 2 nd Quarter Fiscal Year 2015 – October 1, 2014 through March 31, 2015			
District Site	Annual Projected Employment Goal by District	Customers who Attained Competitive Employment During the 1 st and 2 nd Qtrs.	Percentage of Customers who Attained Competitive Employment During the 1 st and 2 nd Qtrs.
Ann Arbor	436	232	53.2%
Detroit Renaissance	1,080	375	34.7%
Grand Rapids	442	252	57.0%
Lansing	364	256	70.3%
Eastern & Macomb	1,043	391	37.5%
Marquette	207	114	55.1%
Northern & Mid-Michigan	775	364	47.0%
Oakland	570	258	45.3%
Southwestern	561	242	43.1%
Wayne	687	265	38.6%
West Central	530	275	51.9%
TOTAL	6,695	3,024	45.2%

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 and Second 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 March 31, 2015, as it relates to the annual goal.

Percentage of Customers who Attained Competitive Employment During the First and Second Quarters 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, 2014 and March 31, 2015, as it related to the annual goal.

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

Purchased Placement Services 1 st and 2 nd Quarters Fiscal Year 2015 – October 1, 2014 through March 31, 2015	
Vendor	Customers who Attained Competitive Employment During 1 st and 2 nd Quarters
Michigan Association of Rehabilitation Organizations (MARO)	638
Non-MARO	498
Total	1,136

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 and 2 nd Quarters FY 2015 – October 1, 2014 through March 31, 2015)	
Ann Arbor	58%
Detroit Renaissance	50%
Grand Rapids	63%
Lansing	68%
Eastern & Macomb	51%
Marquette	53%
Northern & Mid-Michigan	54%
Oakland	60%
Southwestern	59%
Wayne	46%
West Central	62%