



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

Memorandum

DATE: January 7, 2022

TO: The Honorable Kenneth Horn, Chair
Senate Appropriations Subcommittee on Labor and Economic Opportunity/MEDC

The Honorable Greg VanWoerkom, Chair
House Appropriations Subcommittee on General Government

FROM: Stephanie Beckhorn, Director
Employment and Training
Department of Labor and Economic Opportunity

RE: PA 87 of 2021, Sec. 1082 Report

Per Section 1082 of Public Act 87 of 2021, the Michigan Department of Labor and Economic Opportunity shall provide an annual report to include all of the following items:

- a) Reductions 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 rehabilitative 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.

If you have any questions, please contact Mr. Todd Cook, Director of LEO Legislative Affairs, at 517-230-8900.

SB:JB

Attachment

cc: Members, Senate Appropriations Subcommittee on Labor and Economic Opportunity/MEDC
Members, House Appropriations Subcommittee on General Government
Kathryn Summers, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
Christopher Harkins, State Budget Director
House and Senate Policy Offices

MRS Improvement Report
(FY 2022 Appropriation Act - Public Act 87 of 2021)

February 1, 2022

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 6.26 FTEs for Fiscal Year 2021 (October 1, 2020 to September 30, 2021).

The MRS Administrative Staff (Central Office) was 47.2 FTEs at the beginning of Fiscal Year 2021 (October 1, 2020) and increased to 49 FTEs at the end of the fourth quarter, September 30, 2021.

b) Service delivery plans and implementation steps achieved:

The [federally-mandated Unified State Plan](#), effective for federal program years 2020-2023, identified the following MRS strategic plan summary:

- Promote the integration of individuals with disabilities and business as our dual customer.
- Advance the provision of vocational rehabilitation services to students and youth with disabilities.
- Maximize opportunities for all individuals with disabilities to achieve competitive integrated employment.
- Collaborate and align with Workforce Innovation and Opportunity Act (WIOA) core and other strategic partners.
- Leverage the use of data and analytics to drive innovation, continuous improvement, and measure success.

During FY21, MRS achieved the following implementation steps:

- 34,897 total cases served
 - More than 8,000 Prior to Application (PTA) and potentially eligible students with disabilities received pre-employment transition services.
 - 26,866 total vocational rehabilitation (VR) cases received VR services, of which more than 23,000 were significantly or most significantly disabled.
 - 5,290 Michigan residents with disabilities exited VR services employed.
- Participants who exited employed from VR services had an average wage of approximately \$17.75 per hour.
- More than 750 businesses received services, largely via tele- and remote-based service delivery.

c) Reorganization plans and implementation steps achieved:

Michigan Rehabilitation Services implemented and completed reorganization plans in 2017.

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

MRS, in alignment with the Workforce Innovation and Opportunity Act (WIOA), continues to work closely with other department agencies and partners, such as LEO-Bureau of Services to Blind Persons, LEO-Workforce Development, LEO-Unemployment Insurance Agency and the Michigan Economic Development Corporation. Other state departments and external partners include the Department of Education, Department of Licensing and Regulatory Affairs, Department of Corrections, Michigan Works! Agencies, Centers for Independent Living, Community Rehabilitation Organizations, and employers to align programming, communication, funding, services, and ongoing communication.

e) Quarterly expenditures by major spending category:

Fiscal Year 2021 – Expenditures

PROGRAM AREA:	LEO - Michigan Rehabilitation Services				
LINE ITEM:	54200A				
	Q1	Q2	Q3	Q4	Total
Personnel*	15,370,804	14,341,397	16,619,721	15,474,545	61,806,467
CSS&M Costs	626,748	890,515	1,281,681	2,429,981	5,228,926
Facilities Costs	1,680	10,350	53,553	1,335,294	1,400,877
Direct Services to Customer Service	3,178,849	6,594,273	7,907,935	16,563,537	34,244,593
Contract Costs	777,407	1,229,476	1,192,912	1,012,837	4,212,632
IT	-	8	26	2,203,297	2,203,330
Travel	58,814	76,960	70,980	132,781	339,535
Training	15,418	17,665	30,797	43,790	107,669
Other	145,296	373,006	434,034	569,758	1,522,093
Total	\$ 20,175,016	\$ 23,533,649	\$ 27,591,639	\$ 39,765,820	\$ 111,066,124
* Field Personnel Expenditures	\$ 13,157,851	\$ 12,241,454	\$ 14,151,484	\$ 13,845,014	\$ 53,395,803

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 who successfully obtain and maintain employment (competitive employment) for a period of 90-consecutive days.

Table A below provides the number of MRS customers who achieved Competitive Employment. Data broken down by MRS Districts:

TABLE A	
Number of Customers who Attained Competitive Employment	
Fiscal Year 2021 – October 1, 2020 through September 30, 2021	
District Site	Number of Customers who Attained Competitive Employment During the Fiscal Year
Ann Arbor	434
Detroit Renaissance	561
Grand Rapids	363
Lansing	210
Eastern	393
Macomb	390
Marquette	191
Mid-Michigan	412
Northern	336
Oakland	510
Southwestern	423
Wayne	697
West Central	370
Total:	5,290

Table B below provides the employment rate (or job retention rate) of vendor partners, which is defined as the number of customers who successfully obtain and maintain employment (competitive employment) for a period of 90-consecutive days with the assistance of a Community Rehabilitation Organization.

TABLE B	
Purchased Placement Services	
Fiscal Year 2021 – October 1, 2020 through September 30, 2021	
Vendor Partners	FY 2021 Employment Rate
Community Rehabilitation Organizations	655 customers

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

The success rate (or rehabilitation rate) is a federal performance indicator defined as the percentage of program participants, 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 (Fiscal Year 2021 – October 1, 2020 through September 30, 2021)	
Ann Arbor	106%
Detroit Renaissance	76%
Grand Rapids	116%
Lansing	77%
Eastern	73%
Macomb	85%
Marquette	90%
Mid-Michigan	107%
Northern	101%
Oakland	96%
Southwest	86%
Wayne	94%
West Central	82%