



GRETCHEN WHITMER  
GOVERNOR

STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY  
LANSING

SUSAN CORBIN  
DIRECTOR

# Memorandum

DATE: January 18, 2023

TO: The Honorable Mary Cavanagh, Chair  
Senate Appropriations Subcommittee on LEO/MEDC

The Honorable William Snyder, Chair  
House Appropriations Subcommittee on Labor and Economic Opportunity

FROM: Tina Fullerton, Director  
Michigan Rehabilitation Services  
Department of Labor and Economic Opportunity

RE: PA 166 of 2022, Sec. 1082 Report

Per Section 1082 of Public Act 166 of 2022, 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.

## Attachment

cc: Members, Senate Appropriations Subcommittee on LEO/MEDC  
Members, House Appropriations Subcommittee on Labor and Economic Opportunity  
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 2023 Appropriation Act - Public Act 166 of 2022)

**February 1, 2023**

**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 12.69 FTEs for Fiscal Year 2022 (October 1, 2021 to September 30, 2022).

The MRS Administrative Staff (Central Office) was 49.0 FTEs at the beginning of Fiscal Year 2022 (October 1, 2021) and decreased to 44.3 FTEs at the end of the fourth quarter, September 30, 2022.

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

The federally-mandated Unified State Plan (<https://wioaplans.ed.gov/node/1311>), 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 Fiscal Year 2022, MRS achieved the following implementation steps:

- 37,504 total cases served
  - 7,975 Prior to Application (PTA) and potentially eligible students with disabilities received pre-employment transition services.
  - 27,840 total vocational rehabilitation (VR) cases received VR services, of which more than 24,152 were significantly or most significantly disabled.
  - 5,625 Michigan residents with disabilities exited VR services employed.
- Participants who exited employed from VR services had an average wage of approximately \$19.74 per hour.
- 5,157 businesses received services, via combination of in-person and virtual 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 WIOA, continues to work closely with other department agencies and partners such as: LEO-Bureau of Services to Blind Persons, LEO-Workforce Development, Michigan Economic Development Corporation, LEO-Unemployment Insurance Agency as well as other state departments and partners such as 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 2022 – Expenditures**

<b>PROGRAM AREA:</b>	<b>LEO - Michigan Rehabilitation Services</b>				
<b>LINE ITEM:</b>	<b>54200A</b>				
	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
Personnel*	14,400,195	14,805,278	15,171,945	15,679,772	60,057,191
CSS&M Costs	872,464	726,512	898,232	2,816,124	5,313,332
Facilities Costs	3,802	57,116	81,449	756,304	898,670
Direct Services to Customer Service	4,771,044	7,526,308	8,680,501	15,996,136	36,973,990
Contract Costs	833,992	1,319,982	1,124,230	2,101,414	5,379,619
IT	-	-	1,311,727	871,964	2,183,690
Travel	74,801	104,294	125,000	189,836	493,931
Training	22,666	28,613	16,758	50,825	118,863
Other	162,665	530,447	562,385	485,407	1,740,904
<b>Total</b>	<b>\$21,141,629</b>	<b>\$25,098,549</b>	<b>\$27,972,228</b>	<b>\$38,947,782</b>	<b>\$113,160,188</b>
* Field Personnel Expenditures	\$12,752,995	\$13,145,772	\$12,937,014	\$13,404,189	\$52,239,970

**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:

<b>TABLE A</b>	
<b>Number of Customers who Attained Competitive Employment Fiscal Year 2022 – October 1, 2021 through September 30, 2022</b>	
District Site	Number of Customers who Attained Competitive Employment During the Fiscal Year
Ann Arbor	388
Detroit Renaissance	618
Grand Rapids	341
Lansing	254
Eastern	506
Macomb	418
Marquette	207
Mid-Michigan	407
Northern	319
Oakland	537
Southwestern	447
Wayne	762
West Central	421
<b>Total:</b>	<b>5,625</b>

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.

<b>TABLE B</b>	
<b>Purchased Placement Services</b>	
<b>Fiscal Year 2022 – October 1, 2021 through September 30, 2022</b>	

Vendor Partners	FY 2022 Employment Rate
Community Rehabilitation Organizations	644 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.

<b>Success Rate for MRS Districts (Fiscal Year 2022 – October 1, 2021 through September 30, 2022)</b>	
Ann Arbor	111%
Detroit Renaissance	93%
Grand Rapids	122%
Lansing	105%
Eastern	104%
Macomb	101%
Marquette	108%
Mid-Michigan	118%
Northern	106%
Oakland	113%
Southwest	101%
Wayne	111%
West Central	104%