



STATE OF MICHIGAN
DEPARTMENT OF HUMAN SERVICES
LANSING

RICK SNYDER
GOVERNOR

MAURA D. CORRIGAN
DIRECTOR

April 30, 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 FTEs for the second quarter of Fiscal Year 2014 (January 1, 2014 to March 31, 2014).
 - The MRS Administrative Staff (Central Office) was 32 FTEs at the beginning of the second quarter of Fiscal Year 2014 (January 1, 2014) and was 29 FTEs at the end of the second quarter (March 31, 2014).
- b) *Service delivery plans and implementation steps achieved:***
- By the end of March 2014, five MRS offices had co-located with DHS offices. They are now in the Alpena, Bay, Jackson, Oakland (Pontiac) and Otsego (Gaylord) county/district offices. During the 2nd quarter, ongoing meetings with DHS have occurred to prepare for co-location of the MRS office in Wayne County into several Wayne County DHS district offices (Hamtramck, Porter Street and Fort Street).
- c) *Reorganization plans and implementation steps achieved:***
- MRS maintained continuous service delivery while achieving administrative efficiencies by combining two districts (Mid-Michigan with Northern, and Eastern Michigan with Macomb).
 - By the end of the second quarter, a total of 15 positions were eliminated. They are: (1) State Administrator 18, (1) State Division Administrator 17, (1) State Administrative Manager 16, (2) Vocational Rehabilitation Managers 15, (8) Vocational Rehabilitation Managers 14, and (2) Executive Secretaries 10.
 - DHS and MRS continue to meet and communicate on an ongoing basis regarding reorganizational plans for MRS. Civil Service rules are being reviewed and clarified; along with federal regulations governing the organizational structure of MRS.
- 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 is working with Kinexus trainers to help them increase the number of PATH participants, who may have learning disabilities, who graduate from the program.
 2. MCTI, in collaboration with Meijer, is working to provide viable candidates for employment and to assess ancillary services the employer may want to provide onsite to employees, such as access to representatives from DHS, MRS, etc.
 3. MCTI is implementing an online employability software tool that 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 – 2nd Quarter Expenditures	
PROGRAM AREA:	DHS - Michigan Rehabilitation Services
LINE ITEM:	81520
Spending Category:	Expenditures:
Employee Costs*	\$13,621,094
CSS&M Costs	\$881,141
Facilities Costs	\$5,196
Direct Services to Customers	\$8,354,572
Contract Costs	\$516,528
IT	\$1,018
Travel	\$105,504
Training	\$36,193
Other	\$0
Total	\$23,521,246

* \$12,324,325 of the Employee Costs was for MRS Field Staff