



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
ACTING DIRECTOR

Memorandum

DATE: January 28, 2021

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
Labor & Economic Opportunity *Stephanie Beckhorn*

RE: Public Act 166 of 2020, Section 1082 Report

Per Section 1082 of Public Act 166 of 2020, 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. Andrew Beardslee, Legislative Analyst, 517-388-6101.

SB:TF

Attachment

cc: Members, Senate Appropriations Subcommittee on Labor and Economic Opportunity/MEDC
Members, House Appropriations Subcommittee on General Government
House and Senate Fiscal Agencies
House and Senate Policy Offices
State Budget Office

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MRS Improvement Report
FY 2020
(FY 2021 Appropriation Act - Public Act 166 of 2020)

February 1, 2021

Sec. 1082. The department shall provide an annual report by February 1 to the house and senate appropriations subcommittees on the department budget, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on efforts taken to improve the Michigan rehabilitation services. The report shall 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.

Michigan Rehabilitation Services
FY 2020 Annual Report
(FY 2021 Appropriation Act - Public Act 166 of 2020)

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 34.9 FTEs for Fiscal Year 2020 (October 1, 2019 to September 30, 2020).

The MRS Administrative Staff (Central Office) was 48 FTEs at the beginning of Fiscal Year 2020 (October 1, 2019) and decreased to 47.2 FTEs at the end of the fourth quarter (September 30, 2020).

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 FY20, MRS achieved the following implementation steps:

- 38,496 customers served
 - Nearly 9,000 Prior to Application (PTA) and potentially eligible students with disabilities received pre-employment transition services.
 - 29,538 individuals with disabilities received vocational rehabilitation (VR) services, of which more than 25,000 were significantly or most significantly disabled.
 - 4,866 Michigan residents with disabilities exited employed from VR services.
- Participants who exited employed from VR services had an average wage of approximately \$16 per hour.
- More than 830 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 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 2020 – Expenditures

PROGRAM AREA:	LEO - Michigan Rehabilitation Services				
LINE ITEM:	54200A				
	Q1	Q2	Q3	Q4	Total
Personnel*	\$ 16,310,721	\$ 13,790,331	\$ 15,039,452	\$ 14,310,055	\$ 59,450,559
CSS&M Costs	\$ 660,500	\$ 827,923	\$ 729,091	\$ 1,232,397	\$ 3,449,911
Facilities Costs	\$ 1,850	\$ 4,876	\$ 2,562	\$ 381,236	\$ 390,524
Direct Services to Customer Service	\$ 4,710,155	\$ 9,776,824	\$ 5,019,631	\$ 12,206,773	\$ 31,713,383
Contract Costs	\$ 474,672	\$ 1,894,761	\$ 953,504	\$ 1,654,932	\$ 4,977,869
IT	\$ 60,460	\$ 170,867	\$ 65,206	\$ 1,319,921	\$ 1,616,455
Travel	\$ 169,221	\$ 183,060	\$ 96,526	\$ 110,104	\$ 558,911
Training	\$ 28,956	\$ 60,608	\$ 16,105	\$ 10,413	\$ 116,081
Other	\$ -	\$ 279,430	\$ 594,918	\$ 2,437,684	\$ 3,312,031
Total	\$ 22,416,535	\$ 26,988,680	\$ 22,516,994	\$ 33,663,516	\$ 105,585,725
* Field Personnel Expenditures	\$ 14,532,167	\$ 12,239,070	\$ 13,307,595	\$ 12,598,115	\$ 52,676,947

e) 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 2020 – October 1, 2019 through September 30, 2020	
District Site	Number of Customers who Attained Competitive Employment During the Fiscal Year

Ann Arbor	466
Detroit Renaissance	443
Grand Rapids	380
Lansing	234
Eastern	392
Macomb	283
Marquette	245
Mid-Michigan	326
Northern	251
Oakland	406
Southwestern	419
Wayne	688
West Central	333
Total:	4,866

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 2020 – October 1, 2019 through September 30, 2020	
Vendor Partners	FY 2020 Employment Rate
Community Rehabilitation Organizations	1,308 customers

f) 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 2020 – October 1, 2019 through September 30, 2020)	
Ann Arbor	110%
Detroit Renaissance	55%
Grand Rapids	111%
Lansing	79%
Eastern	66%
Macomb	56%
Marquette	105%
Mid-Michigan	77%
Northern	69%

Oakland	70%
Southwest	77%
Wayne	82%
West Central	68%