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February 1, 2010

Ms. Mary Jo Kunkle  
Executive Secretary  
Michigan Public Service Commission  
6545 Mercantile Way, Ste 7  
Lansing, MI 48911

Re: MPSC Case No. U-14725

Dear Ms. Kunkle:

Enclosed herewith for filing in the above-referenced matter, please find the Michigan 2-1-1 Progress Report to the Michigan Public Service Commission pursuant to the Commission's Order of March 18, 2009. Should you have any questions, please feel free to contact me. Thank you.

Very truly yours,

FRASER TREBILCOCK DAVIS & DUNLAP, P.C.



Robert B. Nelson

RBN/jjy

Enclosure

**STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

In the matter, on the Commission's own motion,     )  
Regarding designation of a State 2-1-1 coordinating     )     Case No. U-14725  
Agency pursuant to Section 214 of the Michigan     )  
Telecommunications Act     )

**MICHIGAN 2-1-1 PROGRESS REPORT FOR  
THE MICHIGAN PUBLIC SERVICE COMMISSION**

Pursuant to the Commission's order of March 18, 2009, in this proceeding, Michigan 2-1-1, the agency designated by the Commission to be the State 2-1-1 coordinating agency, submits its fourth report on the progress of Michigan 2-1-1 in meeting its availability and funding goals. Michigan 2-1-1's previous progress reports were filed on February 1, 2007, February 1, 2008 and January 29, 2009. In its March 18, 2009, order, the Commission stated that by February 1, 2010, Michigan 2-1-1 shall file current information on funding, advances made in 2-1-1 availability in Michigan, any changes in the Michigan 2-1-1 Business Plan, and any changes from its original application. Each of these issues will be addressed in the following report.

**CURRENT PROGRESS**

Coordination of Statewide System

Michigan 2-1-1 developed and implemented an endorsement process in August 2006 to ensure that new 2-1-1 call centers and counties served be a part of a Statewide coordinated 2-1-1 system. The endorsement process was described in the first and second progress reports and has continued to operate effectively in the three and one half years that have transpired since the process was developed. Michigan 2-1-1 continues to work toward developing a central routing system, but like the Commission, Michigan 2-1-1 cannot require community resource referral

entities in all counties to apply for 2-1-1 designation. Nonetheless, progress has been made toward a fully integrated system, as demonstrated by the subsequent information in this report.

### Organizational Development

Michigan 2-1-1 was incorporated on August 19, 2004 and was reorganized as a wholly owned subsidiary of the Michigan Association of United Ways in August 2006. Three members were added to the Michigan 2-1-1 Board in November 2007. In 2009, the membership on the Michigan 2-1-1 Board of Directors was increased to twelve (See board roster, attached hereto as Exhibit 1). During 2009, the Michigan 2-1-1 Board of Directors focused on the identification of near and long-term strategic initiatives, including: statewide availability of 2-1-1, evaluation of 2-1-1 impact, sustainable funding, a two-year technology plan and the establishment of a user-friendly Michigan 2-1-1 website. With statewide coverage and sustainable funding as its priorities, the Board is refreshing the Michigan 2-1-1 Business Plan to include resources from the private sector. Michigan 2-1-1 Board members have each taken leadership roles in this work.

All Michigan 2-1-1 Call Centers are required to be fully accredited by the Alliance of Information and Referral Systems (AIRS), the national accrediting body. Seven of the eight regional call centers have achieved this distinction. The eighth and final regional 2-1-1 Call Center, launched in September, 2009, has submitted its materials for accreditation and expects to be approved in 2010. This comprehensive and rigorous process serves to ensure quality service provision for Michiganders.

In 2009, Michigan 2-1-1 Call Center's call volume increased to 663,923 calls, an increase of 117,804 calls over 2008. In 2006, Michigan 2-1-1 established the Michigan 2-1-1 Operating Council and statewide system development taskforces to oversee and enhance the day-to day operations of Michigan 2-1-1 Call Centers. (See below).

## Michigan 2-1-1 Operating Council

The Michigan 2-1-1 Operating Council was established in August 2006 by the Michigan 2-1-1 Board according to the Michigan 2-1-1 Business Plan. Comprised of Call Center directors representing identified regional call centers and representatives of the Resource Managers Workgroup, the Council addresses the day-to-day operations of Michigan's 2-1-1 system. Their initial focus was on identifying processes for the collection and sharing of statewide data, emergency preparedness, and consistent call center operations. The Operating Council works collaboratively on statewide information and referral access programs such as Mentor Michigan (chaired by First Gentleman Dan Mulhern), Earned Income Tax Credit (in collaboration with the Department of Human Services) and Mortgage Foreclosure Assistance (in collaboration with the Statewide Mortgage Foreclosure Taskforce) and, in the fall of 2008, the Michigan Participation Project (in collaboration with the Michigan Nonprofit Association), designed to provide assistance to the public about voter registration, polling locations, transportation to the polls and resources about potential challenges facing voters. In 2009, Michigan 2-1-1 has worked collaboratively and under contract with the Michigan Department of Community Health, providing information to the public regarding the H1N1 virus and referring the public to available immunization sites. Also in 2009, Michigan 2-1-1 became prominent in the State of Michigan's 'Helping Hand' website, expanding the utility of this site to provide a way to access an additional 35,000 community-based services.

### Resource Managers Workgroup

The Resource Managers Workgroup is comprised of Resource Managers from 2-1-1 Call Centers, comprehensive and specialized I & Rs, has met monthly for over five years and receives oversight from the Michigan 2-1-1 Operating Council. Its mission is to ensure the quality of Michigan's resource databases, standardize taxonomy indexing, prioritize the scope of records, standardize record structure and content, develop and implement a standardization process that meets defined quality assurance criteria practices as outlined by MI-AIRS and AIRS, and support and network with fellow resource managers. The Workgroup continued to make progress toward its mission in 2009 and has also provided capacity to other MI 2-1-1 workgroups. Combined, Michigan 2-1-1 databases contain over 35,000 community-based health and human services.

### Statewide Database Project & Taskforce

The Statewide Database Project transitioned last year to a collaboration that includes The Dow Chemical Company. The Dow Chemical Company committed to leveraging their vendor partners to provide database and telecommunication support to Michigan 2-1-1, beginning with a five-county 2-1-1 Call Center to be based in Midland. The call center in Midland launched in September 2009 and has been piloting the use of the new software platform and web-hosted telecommunications system. The new platform incorporates newer technologies such as text messaging and online chat with Michigan 2-1-1 Call Specialists. Part of the FY10 funding, through the Michigan Department of Human Services, for a demonstration project, has been allocated to plan the implementation of a statewide, web-hosted telecommunications system. Such a system would allow for a single number for call translation, simplified call routing, call balancing, routing by skillset and the ability to seamlessly move calls to another state, if necessary, in times of disaster. The Michigan Telecommunications Act identifies statewide

routing as an important outcome. Michigan 2-1-1 agrees and will be well positioned to implement this routing through the completion of this statewide routing development project.

#### Statewide Data Collection Workgroup

Development of a process for the collection and reporting of statewide 2-1-1 data is the charge of this group and work continues on that development. The purpose is to identify, for a larger audience, the needs and unmet needs of Michigan 2-1-1 callers. Common data elements utilized by each 2-1-1 Call Center have been identified and standardized. Recently, the 2-1-1 databases in Michigan have been combined, allowing each call center, with a series of permissions, to access each other's databases providing easy access to statewide data. This, with the forthcoming statewide telecommunications routing system reflects progress toward an integrated 2-1-1 system according to the business plan and MTA.

#### **2-1-1 AVAILABILITY**

2-1-1 availability is expanding and building out according to the statewide system defined within the Michigan 2-1-1 Business Plan. In 2009, expansion of 2-1-1 service occurred for Branch County through Hands On Battle Creek, located in Calhoun County and for Manistee County, through CALL 2-1-1, located in Muskegon. Expansion also occurred for Allegan, Berrien, Cass, and Van Buren Counties, served by the 2-1-1 regional call center located at Gryphon Place in Kalamazoo. An eighth and final regional call center was launched, located in Midland, in September, 2009 to serve Clare, Gladwin, Gratiot, Isabella and Midland Counties. These additional eleven counties bring the population served to over 80%.

A generous donation by the Consumers Energy Foundation to Michigan 2-1-1 has been a catalyst for planning the implementation of 2-1-1 in other areas of Michigan. Two projects in

northern Michigan, with a total of thirteen counties, have taken the first steps toward the expansion of 2-1-1 for their area. In northeastern Michigan an eleven-county steering committee has been identified to lead 2-1-1 for their area. Lastly, Barry, Ionia and Montcalm Counties have indentified and begun their work for 2-1-1 service from Hands On Battle Creek. Michigan 2-1-1's goal is for 100% coverage by February, 2011.

Cell phone access to 2-1-1 continues to be available to callers utilizing the following providers: Verizon Wireless, Alltel, T-Mobile, Nextel/Sprint, AT&T/Cingular, and Centennial Wireless, significantly expanding the reach of 2-1-1. Voice Over Internet Protocol (VOIP) connectivity is also available through Charter Telephone, Comcast Telephone, Vonage and other providers. Uverse, through AT&T, does not make 2-1-1 dialing available to its customers. Michigan 2-1-1 is working with AT&T to address this through their public policy and other channels to provide 2-1-1 for their customers.

This report is being sent to the House and Senate standing committees with primary jurisdiction over human services and telecommunications, as required by Act 129, as well as to the Department of Information Technology and Department of Human Services.

### **FUNDING**

Michigan 2-1-1 continues to seek funding from all available sources, both public and private, in order to meet its goal of building sustainable and predictable funding for the entire 2-1-1 system. Local 2-1-1 call center investment combined with central operations in 2009 was \$4,100,000. Michigan 2-1-1 central coordination made up \$214,000 of this total statewide investment. Michigan 2-1-1 continues to make every effort to obtain funding for its operations from a multitude of private and public sources, including local government agencies. Moreover, there are currently 40 local United Ways that provide funding for the statewide operation of

Michigan 2-1-1 through Michigan Association of United Ways membership dues. All 2-1-1 agencies support statewide operations with in-kind support through significant staff time, travel cost, and other contributions.

The Michigan Association of United Ways (MAUW) continues to support statewide coordination of 2-1-1 since universal 2-1-1 access is a strategic directive of MAUW's membership and Board of Directors. In addition to funding the Michigan 2-1-1 Director position, MAUW supports efforts to align 2-1-1 with publicly funded health and human services and to garner private as well as public funding.

#### Department of Human Services Budget

##### Section 307 2009 PA 129 provides:

Sec. 307. (1) Of the money appropriated in part 1 for demonstration projects, \$500,000.00 shall be distributed as provided in subsection (2). The amount distributed under this subsection shall not exceed 50% of the total operating expenses of the program described in subsection (2), with the remaining 50% paid by local United Way organizations and other nonprofit organizations and foundations.

(2) Money distributed under subsection (1) shall be distributed to Michigan 2-1-1, a nonprofit corporation organized under the laws of this state that is exempt from federal income tax under section 501(c)(3) of the internal revenue code, 26 USC 501(c)(3), and whose mission is to coordinate and support a statewide 2-1-1 system. Michigan 2-1-1 shall use the money only to fulfill the Michigan 2-1-1 business plan adopted by Michigan 2-1-1 in January 2005.

(3) Michigan 2-1-1 shall report annually to the department and the house and senate standing committees with primary jurisdiction over matters relating to human services and telecommunications on 2-1-1 system performance, including, but not limited to, call volume by community health and human service needs and unmet needs identified through caller data and customer satisfaction metrics.

This Department of Human Services demonstration project was successfully completed during 2009. For 2010, the DHS budget amount has more than doubled, to \$500,000, from the amount budgeted for FY 2009.

The Michigan Department of Community Health has contracted with Michigan 2-1-1 for H1N1 public information services. Michigan 2-1-1 is also a funded agency under the successful CHIP grant awarded to the Michigan Primary Care Association.

Accordingly, the Commission's concern about the continued funding uncertainty for Michigan 2-1-1 and the reliance on State funding has, with regard to the DHS demonstration project and DCH funding, been addressed. However, in keeping with its commitment to explore all sources of potential funding, Michigan 2-1-1 is making great strides to secure funding from the private sector. (See "Private Sector Funding, *infra.*)

The Legislature has ensured, by the language quoted above, that local United Way organizations and other nonprofit organizations and foundations will provide at least 50% of the funding for these demonstration projects. With regard to the annual operating budget of Michigan 2-1-1, all sources of potential funding will continue to be explored in 2010.

#### Michigan 2-1-1 Demonstration Project

Michigan 2-1-1, in partnership with the Michigan Department of Human Services (DHS) and Community Actions Agencies throughout Michigan promoted 2-1-1 as a tool for providing information about the Earned Income Tax Credit (EITC) program, the preparation of tax forms at no cost, and the creation of volunteer opportunities related to the preparation of EITC forms. The EITC Program is intended to return dollars to those individuals who are "low-income" according to Federal Guidelines. Money returned to taxpayers can then be used to address critical needs and issues that individuals/families may be experiencing.

Millions of these federal dollars have gone unclaimed and more importantly, not spent in our communities because many low-income Michigan wage earners have not made application for them. Many of these wage earners have no knowledge of the EITC Program and are not

aware if they are eligible for EITC assistance including free tax preparation services. Michigan 2-1-1 Call Specialists screened 2-1-1 callers for eligibility for the EITC. The outcome of the 2-1-1 demonstration project revealed that individuals accessing these additional resources to address their own individual needs will become more self sufficient as they spend those resources within the community.

Michigan 2-1-1 collaborated with the Accounting Aid Society (AAS), American Association of Retired Persons (AARP), the Internal Revenue Service (IRS), the Statewide Earned Income Tax Credit Coalition, Community Action Agencies and other local resources to populate the Michigan 2-1-1 databases with up-to-date, accurate information about the availability of tax preparation sites for low-income Michigan wage earners. Updates on these tax preparation sites were provided regularly to the call centers during the tax preparation season. Three hundred forty-five tax preparation sites were maintained within the 2-1-1 database with details on location, hours of operation, etc. A toll-free number to access EITC information through a 2-1-1 Call Center was used by unserved counties.

DHS and the Bureau of Community Action and Economic Opportunity collaborated with Michigan 2-1-1 to promote 2-1-1, by utilizing the formal DHS channels of communication (L-Letter) and increasing knowledge of 2-1-1 as a resource for low-income wage-earners.

Michigan 2-1-1 developed EITC call handling protocols as well as EITC call specialist training. The call training was uploaded to the Michigan 2-1-1 / Michigan AIRS Training Website for use by Michigan 2-1-1 Call Specialists. It included information about the EITC as well as the Child Tax and Home Heating Credit. Following the training, Call Specialists were required to take a test. Eighty-seven call center staff members participated in training and passed the test.

Data was collected on every 2-1-1 caller seeking or provided with information about EITC. Monthly data reports include information on the number of callers requesting EITC volunteer information, zip codes of these callers and the name of the agency (ies) to which the caller was referred. Following is some of that data:

|  |  |
|--|--|
| Number of EITC Callers referred to free tax assistance sites | 11,575   |
| Gender of callers  | Male – 3,015, Female -7,509<br>Did not disclose -1,051                   |
| Tax preparation volunteer inquires/referrals                 | 47   |
| Unmet needs (could not be referred)                          | 527  |
| Unmet need reasons (top 3)                                   | Over income, Service unavailable, Registration full                      |
| Referral source (top 3)                                      | Repeat caller, Family / friend, DHS/ agency                              |
| Callers referred to asset building programs                  | 2,852  |
| Estimated income returned to Michigan families               | \$18,288,500 in Federal EITC <i>plus</i><br>\$1,828,850 in Michigan EITC |

In addition to providing information and pre-screening for the Earned Income Tax Credit to those requesting that information, Michigan 2-1-1 Call Specialists offered EITC prescreening and information to all callers requesting financial or basic needs assistance.

Follow up with a percentage of callers within 7 to 10 days of 2-1-1 contact is a standard to which all Michigan 2-1-1 Call Centers adhere. Satisfaction with 2-1-1 services and the results of referrals made by 2-1-1 are documented during these follow up calls. Callers enjoy high customer satisfaction rankings with 2-1-1, with 96.54% reporting their experience as good or excellent. More than 500 unmet needs were recorded by Michigan 2-1-1 Call Specialists. These unmet needs peaked at 256 during the month of April when the free tax assistance sites had few, if any, appointments available or were closed for the season.

If just 80% of the callers followed through with an application, using the 2007 average EITC return of \$1,975, then \$18,288,500 would have come back to Michiganders through this project. With the addition of the state EITC, an additional \$1,828,850 is estimated to have been claimed. These claims, totaling more than \$20,000,000, far surpass the total of \$6,788,477 in the 2008 pilot.

### Federal Funding

As noted in the 2008 progress report, potential future funding through the proposed Calling for 2-1-1 Act requires a statewide coordinating body, like Michigan 2-1-1. Although the Calling for 2-1-1 Act of 2008 did not become law, *the Calling for 2-1-1 Act of 2009* (HR 211/S 211), was introduced by Representative Anna Eshoo (D-CA) and Senator Hillary Rodham Clinton (D-NY) in the 111<sup>th</sup> Congress.

The bill authorizes \$150 million for years one and two and \$100 million for years three through five through the U.S. Department of Health and Human Services (HHS) to help implement and sustain 2-1-1 nationwide. Original bill co-sponsors from Michigan include Senators Levin and Stabenow. Additionally, Senator Levin successfully included \$200,000 for 2-1-1 in Michigan in the FY2010 Omnibus Appropriations Conference Report.

### Private Sector Funding

Michigan 2-1-1 is working with various private sector entities to expand 2-1-1 into unserved areas. Consumers Energy is invested in the statewide build-out of 2-1-1 service delivery over three years, with \$300,000 pledged to develop and implement 2-1-1. Additionally, United Way for Southeastern Michigan's 2-1-1 and DTE Energy piloted a fee-for-service program whereby 2-1-1 assists in the mitigation of lost revenues. This pilot is underwritten by

DTE Energy and holds promise as a model that could be adopted in other parts of Michigan. The Michigan Non-Profit Association has identified Michigan 2-1-1 as a funded partner in making information about the census known to Michiganders.

IBM made a significant donation to Michigan 2-1-1 and Michigan 2-1-1 Regional Call Centers during 2009. Their financial donation, along with over 100 pieces of hardware, has ensured that all Michigan 2-1-1 Regional Call Centers have state of the art technology and increased functionality.

The Michigan 2-1-1 Board of Directors has been working to refresh the Michigan 2-1-1 Business Plan to reflect a greater focus on partnering with the private sector to invest in 2-1-1. It is this focus that has lead to successful funding opportunities in the private sector.

### **CONCLUSION**

The Michigan 2-1-1 Board of Directors believes it has made substantial progress toward reaching the goals identified in its January 2006 Business Plan, including securing sustainable and predictable funding and making 2-1-1 service as ubiquitous as 911 and 411. In addition, Michigan 2-1-1 continues to work toward a central routing system, as evidenced by the Statewide Database and statewide telecommunications routing system projects. By coordinating all 2-1-1 operations in the State, Michigan 2-1-1 is proving it can facilitate cost efficiencies on the local level so that all of Michigan's residents can gain improved access to health and human services through abbreviated three digit dialing. Significant examples of the benefit of 2-1-1 services are the provision of information about the availability of the Earned Income Tax Credit and H1N1 information and referral and substantial call volume increases from families needing assistance during this economically challenging time. Michigan 2-1-1 looks forward to continued success in achieving its goals.

Respectfully submitted,

FRASER TREBILCOCK DAVIS & DUNLAP, P.C.  
Attorney for Michigan 2-1-1

A handwritten signature in blue ink that reads "Robert B. Nelson". The signature is written in a cursive style with a large initial "R".

Dated: February 1, 2010

By: \_\_\_\_\_  
Robert B. Nelson (P23644)

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**MICHIGAN 2-1-1 BOARD OF DIRECTORS**

Per Michigan 2-1-1 bylaws:

(a) Elected directors shall be elected to three (3) year terms, except in the first election of Michigan 2-1-1 directors when one third (1/3) of the directors shall be elected to one (1) year terms, one third of the directors shall be elected to two (2) year terms, and one third of the directors shall be elected to three (3) year terms.

(b) Except for non-voting directors and the permanent directors, directors are limited to serving two (2) consecutive full three (3) year terms.

| <b>Name</b>      | <b>Organization</b>                              | <b>Term of Office<br/>October - September</b> | <b>Role</b>           |
|------------------|--|---|-----------------------|
| Peter Amar       | Fox Farm Consulting, Otsego Community Foundation | 2007 - 2010                                   | Member                |
| Scott Dzurka     | Michigan Association of United Ways              | Permanent member                              | Secretary / Treasurer |
| Jennifer Heston  | Fraser, Trebilcock, Davis & Dunlap, P.C.         | 2006-2009, 2009-2012                          | President             |
| David Johnson    | DTE Energy                                       | 2009-2011                                     | Member                |
| Martha Lancaster | Char-Em United Way                               | 2009-2011                                     | Member                |
| Jonathon Mead    | UPCAP  | 2006-2009, 2009-2012                          | Member                |
| Doug Plant       | United Way for Southeastern Michigan             | 2007-2010                                     | Member                |
| William Pell     | Gryphon Place                                    | 2007-2010*                                    | Member                |
| Christine Robere | United Way of the Lakeshore                      | 2007-2010                                     | Member                |
| Ken Toll         | United Way of Jackson County                     | 2006-2009, 2009-2012                          | Vice-President        |
| Darrell Zavitz   | The Dow Chemical Company                         | 2007-2010                                     | Member                |
| John Zimmerman   | Retired  | 2006-2009, 2009-2011                          | Past President        |

\*End of second consecutive full three year term

Election and Term of Office. The officers of Michigan 2-1-1 shall be elected annually by the Board of Directors at its annual meeting. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be held. Each officer shall hold office from the close of the annual meeting for a term of one year, or until a qualified successor is elected upon expiration of the term of that officer, or until that officer's death, or until that officer shall resign or shall have been removed in the manner hereinafter provided.