

Michigan 2•1•1 | Business Plan

Utility Bill Assistance
Foreclosure Prevention
Food Pantries
Prescription Assistance
Free Tax Assistance
Flu Shot Clinics
Volunteer Opportunities
Voter Information
Older Adult Information & Assistance
Housing
Child Care Resources
Work Clothing
Transportation
Children's Health Insurance
Disaster Information
Substance Abuse Treatment
Legal Aid
And More . . .



Executive Summary
February 2011



MICHIGAN 2-1-1 OPPORTUNITY

TRANSFORMATIONAL MOMENT FOR STATE OF MICHIGAN

Michigan 2-1-1 has the potential to deliver over \$1,000,000,000 in benefits, over the next ten years, by making our residents’ lives better through easy access to health, human, educational and government services.

Leaders from across Michigan agree that our state is in a transformational moment. Business Leaders, University Scholars, Policymakers, Economists and Futurists have continuously presented thoughts and ideas to move the state forward. Consistent themes have emerged from all sides around efficiencies of government, job creation, improved business climate and customer service. One such example is the Five Step Turn Around Plan¹ for Michigan. The strategic direction of Michigan 2-1-1 aligns with these thoughts and ideas that have been presented from multiple studies and can accelerate the creation of a transformed service delivery system for Michigan.

Just as the Five Step Turn Around Plan identified favorable, productive and attractive factors to spur economic growth, Michigan 2-1-1 is focused on information and referral in the broad area of health and human services. See table below. As such, Michigan 2-1-1 will be a positive influence in the state’s turn around program by providing a “front door” to a broad spectrum of health and human services to all social-economic strata of the state.

Favorable	Productive	Attractive
Supports local community and faith-based programs and initiatives	Efficiency of one place to call for unbiased access to local community services	Easy connections for volunteer and donation opportunities in normal times and those of disaster
Partnership with utilities to avoid costly shutoffs for both customer and utility companies	Innovates new cost-effective programs such as 2-1-1 On-The-Go and Project Access for healthcare	Connects all Michiganders to health and human services information and referral
Work support linkages for those entering new jobs – steel toe boots, training, transportation, etc.	One-stop access to health and human services saving time for both the caller and state or local government agency	Residents stabilize financial future prior to crisis - utility disconnect, eviction, child care, changing schools, etc.

¹ Business Leaders for Michigan



BENEFITS MICHIGAN 2-1-1 PROVIDES FOR OUR RESIDENTS

Michigan 2-1-1:

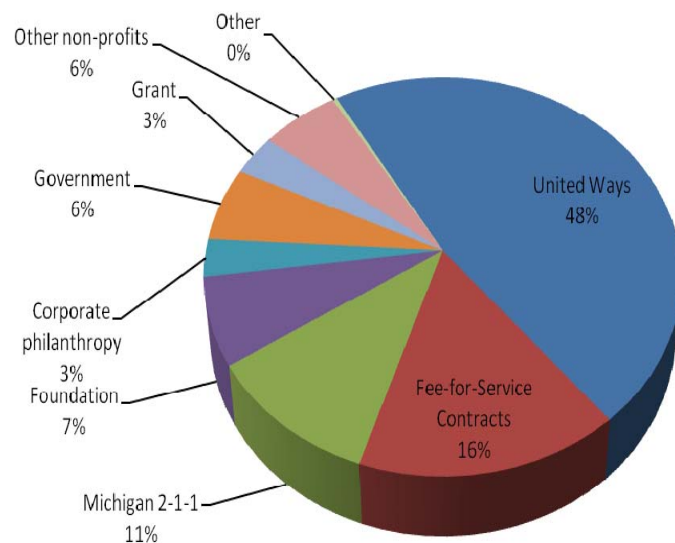
- Provides an efficient “front door” for comprehensive information and referral access to health and human services such as food, shelter, childcare, jobs, mental support and volunteerism
- An easy-to-use service that connects the caller with a Certified Call Specialist to confidentially analyze caller’s need and referral to best community resources
- Regional Call Centers provide consistent standards-based services in conjunction with a local touch and feel
- Creates a sense of community by matching people in need with state and local government, non-profit and faith-based resources
- Eliminates the confusing array of organization, dozens of phone numbers and websites (for those with access) that a person in need and often in distress, must sort through to find necessary assistance
- Reduces the burden of inappropriate and misdirected calls to 911 Emergency Services and has plans on how to best mobilize and manage critical resources and materials in response to disasters
- Creates new knowledge about needs and gaps in services that can help policy-makers and public and private funders make data based decisions to more effectively plan for the future
- Helps people connect with opportunities to give their time and talent as volunteers to community organizations, helping to strengthen the fabric of community life



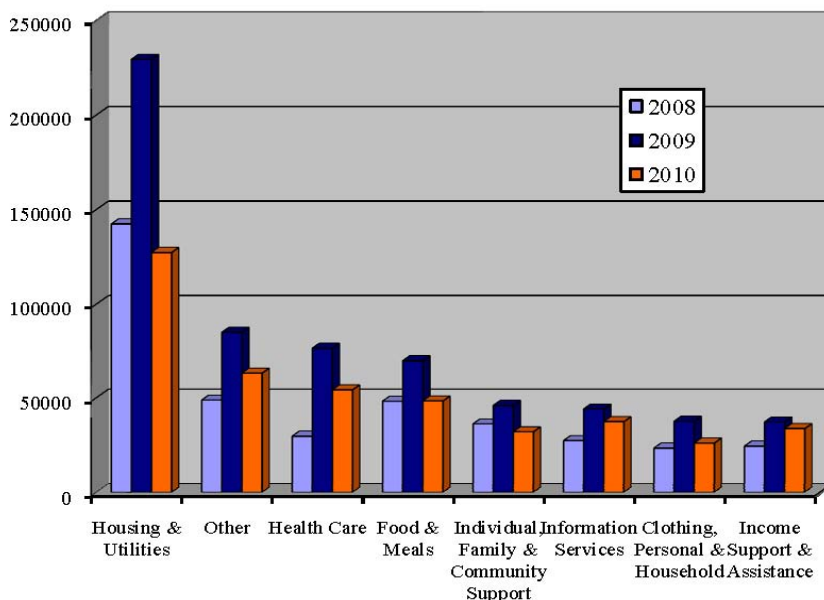
Michigan 2-1-1 has made significant progress in developing a sustainable health and human services information and referral network since its inception as a nonprofit entity in 2004. By 2010, Michigan 2-1-1 made significant progress toward sustainable funding. Local United Ways provided significant funding, consistent with the original strategic intent. More importantly, fee-for-service work from public and private sectors has grown from 9% to nearly 30% of overall funding, as seen in the chart below. When combined with other revenue sources, this increase has diversified and established a sustainable revenue base. Refer to Delivery Plan section for details.

Currently, Michigan 2-1-1 is serving 81% of residents 24/7/365 via eight Michigan-based call centers and the Internet. The heart of the system is the most comprehensive database of over 35,000 community resources aligning with 748,396 requests for service. The data gathered clearly articulates the condition of the State of Michigan. In the past five years, Michigan 2-1-1 Call Centers have experienced a 24% annual compounded growth rate in needs. In 2010, the top seven categories of need represented 85% of the total services requested with basic housing and utility support being 30% of the total as illustrated in the chart below.

2010 Michigan 2-1-1 Funding Sources



Top Services Requested FY 2008-2010



At a national level, the recent recession has resulted in significant unemployment and increased usage of health and human services. Families are losing benefits and need assistance in navigating the maze of programs and services. In Michigan, the situation is even worse having become poorer, smaller and less competitive over the past decade. As a result of these factors, the State of Michigan was required to significantly reallocate funding priorities.



While Michigan 2-1-1 provides access to essential services to over 95% of its callers by providing links to helpful resources, an important secondary benefit is tracking those needs that cannot be met. Michigan 2-1-1 collects and aggregates callers’ unmet needs, providing timely and accurate data about service gaps and needs to those who plan and deliver human services. Nearly 35,000 such calls were received in 2010, illustrating how Michigan’s human service needs are shifting during this time of unprecedented challenge. For every caller whose needs cannot be met we know there are people that did not call. Call Center data indicates that for every unmet need recorded, there are another 7-10 calls that would also result in additional unmet needs.

Michigan 2-1-1 has no direct competitors in the form of an alternative 2-1-1 service available within the State of Michigan. Michigan 2-1-1 does have general competition and alternative service provision from government 1-8XX assistance lines, public assistance organization 1-8XX lines, utility call centers and for-profit call centers, that all combine to form some level of competition.

Michigan 2-1-1 serves five broad markets with clearly articulated value propositions differentiating Michigan 2-1-1 from the generic competition:

Target Markets Served	Value Proposition
Michigan Residents and Visitors	Multiple services delivered through an efficient call routing system with specialized, up-to-date federal, state and local program databases
Federal, State and Local Government	Data gathered and analyzed assists in the identification of emerging issues, service gaps and trends in callers’ needs; leverage 2-1-1’s private funding as match to increase return of federal dollars
Community and Faith-based Non-profits	Streamline access to service by reducing time spent with applicants that do not qualify, saving both non-profit and applicant resources
For-profit Corporations	Increased and efficient access to community resources to help low-income residents pay bills, reducing corporate lost revenue and cost-effective Employee Assistance Programs for small businesses
Employment and Educational Services	Pre-screened referrals for all ages from early childhood to job training resulting in efficiencies for both the agency and applicant



Michigan 2-1-1 provides quantifiable and non-quantifiable benefits. The Net Present Value of benefits modeled exceeds \$823 million, over ten years, using very conservative cost and volume estimates as illustrated in the following table:

Quantifiable Benefit for 2010	Beneficiary*	
	Callers	Taxpayers/State
Volunteer income tax assistance	\$146,979	
Marginal increase in tax refunds	\$1,014,391	\$73,036
Marginal increase in tax refunds from EITC	\$2,783,879	\$501,098
Faster access to health and human services information	\$2,625,000	
Value of volunteer placements	\$2,846,745	
Misdirected calls from public and private agencies	\$1,114,773	
Information regarding eligibility and documentation	\$344,900	\$2,443,959
Flu shots	\$1,240,739	\$135,761
Time savings for misdirected calls	\$6,690,612	
Free prescriptions	\$27,280	
Value to access child health insurance		\$8,810,805
Multiple calls to various agencies before getting assistance	\$2,625,000	
Reduction of misdirected calls to 911		\$54,248,205
Services to local and state government		\$10,773
Total 2010 value	\$87,768,935	
Ten-year Net Present Value	\$823,665,213	

*Values in cells are estimated 2010 savings

Instrumental for the next level of performance will be increased awareness, efficient operations and sustainability. Expansion of services provided will include replication of successfully piloted regional services, along with increased and diversified fee-for-service contracts. One such approach to pursue is the redirection of appropriate government toll-free health and human service help lines. This would increase the Net Present Value by over \$100 million over the course of the next decade.

During the life of this Business Plan, Michigan 2-1-1 will elevate I&R for health and human services to the next level of performance, by leveraging business principles and adhering to Alliance of Information and Referral System (AIRS) standards. The result will be that 2-1-1 will become as ubiquitous for health and human services as 911 is for emergencies.

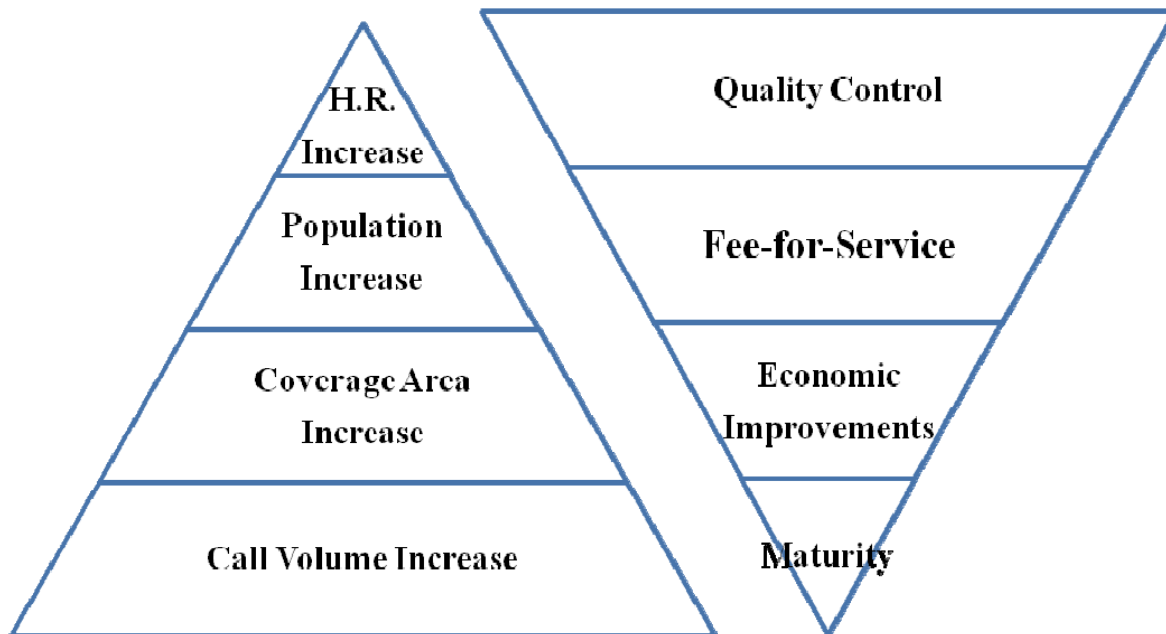


In the 2006 Michigan 2-1-1 Business Plan, it was estimated that the operational cost of a statewide system would be in excess of \$10 million annually. In 2010, recognized expenses totaled \$4.5 million, serving 81% of Michigan’s population. This reduced amount is due to philanthropic in-kind support, segregated databases, little marketing and without a statewide telecommunications backbone. Experience indicates expansion to counties is less costly than originally projected even though Michigan 2-1-1 Call Specialists answer approximately 1,000 more calls annually than the national average. As we complete statewide coverage, primary expenses will be staffing where significant populations are added.

In our financial modeling for this Business Plan we considered four factors that would increase expenses and decrease expenses as summarized in the following graphics:

Factors Increasing Expenses

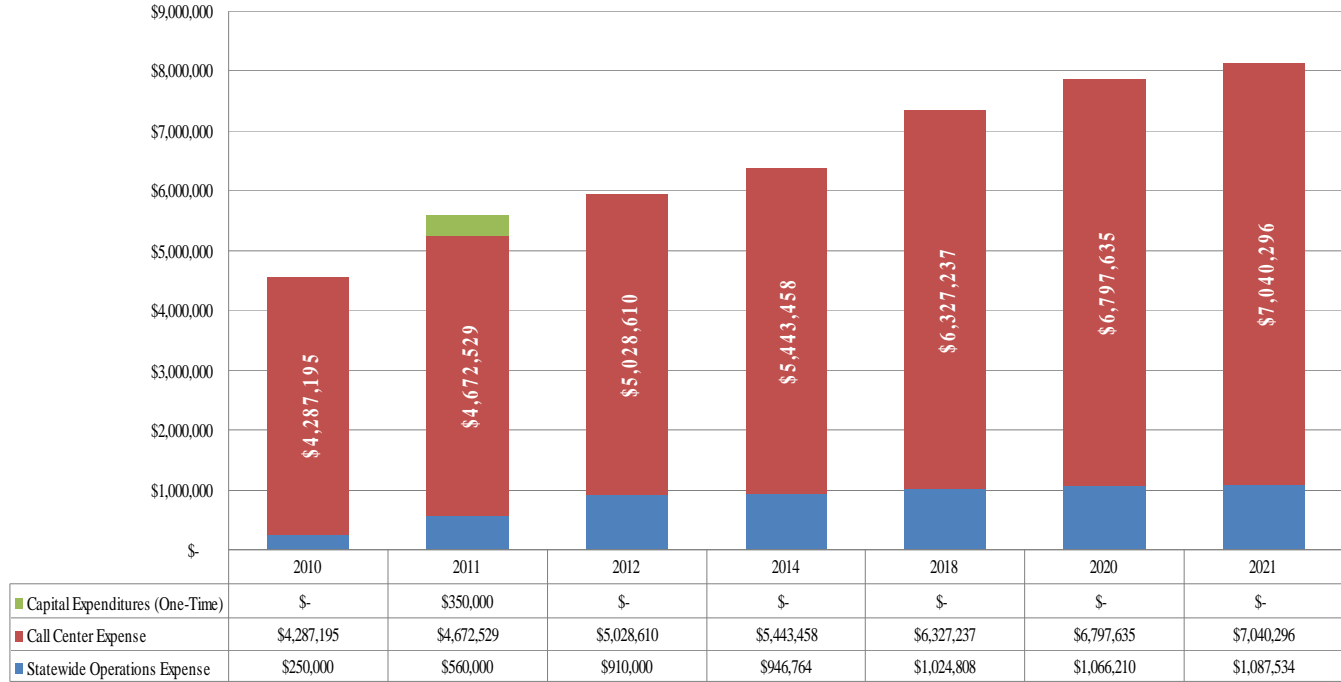
Factors Decreasing Expenses



In the 2011 Business Plan financial modeling, the above eight factors were utilized as sensitivities in developing the ten year budget. The budget reflects one-time expenses for the implementation for the integrated database, statewide call routing and 3.5 additional FTEs for statewide operations. The additional FTEs will accelerate the transition from a fragmented to an integrated statewide efficient system.



Michigan 2-1-1 Projected System Expenses



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