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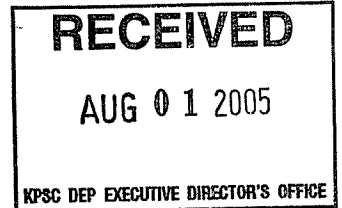


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August 1, 2005

*VIA FACSIMILE AND U.S. MAIL*

Beth O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, KY 40602-0615



Re: United Way of Kentucky *Adm 343*  
Status Report on 2-1-1 Statewide Implementation

Dear Ms. O'Donnell:

Pursuant to the Public Service Commission's order dated August 17, 2004, enclosed please find our report on the status of the implementation of 2-1-1 information and referral service in the Commonwealth.

If you have any questions or need any additional information, please do not hesitate to call me.

Sincerely,

*Hollie Hopkins*  
Hollie Hopkins

Enclosure

**Status Report to the  
Kentucky Public Service Commission  
from  
United Way of Kentucky**

**2-1-1 Statewide Implementation**

**August 1, 2005**

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## Introduction

In July of 2000, the Federal Communications Commission assigned the abbreviated 2-1-1 dialing code nationwide to access to health and human service information and referral (I/R) services.

In 2001, following informal meetings held by the Kentucky Public Service Commission to discuss the assignment of 2-1-1 in the Commonwealth, United Way of Kentucky petitioned the Commission to assign the 2-1-1 dialing code to UWKY and its 25 affiliate organizations. UWKY proposed that it be designated as lead agency for the statewide implementation of 2-1-1 in Kentucky. The Commission granted UWKY provisional authority over 2-1-1 for a three-year period to develop a pilot program for the implementation of 2-1-1 in Kentucky, and to report on its progress at the end of that time.

In 2004, UWKY submitted its report to the Commission on the progress of its pilot efforts, including its comprehensive business plan for Kentucky 2-1-1.

On August 17, 2004, the Kentucky Public Service Commission issued an order granting UWKY the permanent designation as the lead agency for the statewide implementation of 2-1-1 in Kentucky. The Commission directed that UWKY make annual reports on the progress of the 2-1-1 initiative. Pursuant to that order, UWKY submits the following status report.

## Kentucky's 2-1-1 Business Plan

The statewide business plan for Kentucky 2-1-1 that was presented to the Commission with last year's report remains unchanged. That plan was developed based on recommendations of the Kentucky 2-1-1 Steering Committee. This blue ribbon group is comprised of a cross section of interested stakeholders, including representatives from state and local government, nonprofit health and human service organizations, first responders, homeland security, 9-1-1, telecommunications and technology organizations. Much time, talent, and consideration went into the development of this model, and we believe it continues to provide a strong, cost-effective blueprint for the implementation of 2-1-1 in Kentucky.

To summarize, the plan envisions four call centers for the state, and one centralized statewide database accessible to all four centers. Three of the centers would be located in Lexington, Louisville and northern Kentucky; together, these metropolitan centers would serve 1.9 million Kentuckians. The fourth call center, currently proposed to be located in southeast Kentucky, would serve the remainder of the state's population – roughly 2.2

million. As lead entity for the administration and operation of 2-1-1 in Kentucky, UWKY would maintain contractual relationships with the call centers and monitor for performance and compliance with all relevant standards. When fully implemented, citizens would have 24/7 access to the 2-1-1 service through cooperative agreements between the call centers, thus insuring a critical redundancy in the system.

As implementation grows further, the plan will be revisited to make any necessary or desirable adjustments to enhance the strength and functionality of the statewide system. Our 2-1-1 Steering Committee remains intact and ready to assist with any plan revisions.

### **Status of Implementation in Kentucky**

Implementation has been slower than anticipated due to the lack of available funding to support the project. Currently 2-1-1 is available to roughly 10% of Kentucky's population. Nevertheless, progress has been made and where 2-1-1 is operational, tangible results have been noted.

#### **Northern Kentucky**

2-1-1 service is currently available in four northern Kentucky counties – Boone, Kenton, Campbell and Grant – serving 9% of Kentucky's population. United Way of Greater Cincinnati along with presenting sponsor Cinergy Foundation and other philanthropic contributors, launched United Way "Get Help. Give Help" in the Greater Cincinnati area on February 11, 2003. Since its inception, United Way 211 has fielded over 146,000 calls connecting individuals with both needed services and volunteer opportunities, an impressive showing with very little marketing effort. In addition to landline access, 60% of the Cincinnati Bell/Cingular wireless market has cellular phone access to 2-1-1.

One of the most exciting examples of 2-1-1's success here is its program to help eligible citizens obtain the earned income tax credit (EITC). Since 2003, UWGC has partnered with the IRS and numerous other community agencies and businesses, including Northern Kentucky University and the Legal Aid Society, and various financial institutions, to assist individuals file for and receive this valuable benefit. Through this partnership, 2-1-1 has served as the centralized clearinghouse directing low to moderate income working families to free tax preparation sites. Since its inception, the program has grown exponentially fielding nearly 1100 calls over the life of program. In 2003, 177 calls were fielded on this issue; in 2004 the number rose by 405; this year, more than 505 people received this valuable assistance through 2-1-1.

The UWGC 2-1-1 operation has been funded through a variety of sources. *In addition to investment from UWGC and outside agencies,<sup>1</sup> the Cinergy Foundation provided a generous three-year grant of \$600,000 in 2003 to launch the service. The current annual operating budget for 2-1-1 is \$668,000, well over half of which is provided by UWGC. UWGC is committed to continuing 2-1-1, and is actively seeking corporate or philanthropic support to supplement its contributions when the three-year Cinergy grant runs its course at the end of 2005.*

### **Lexington**

United Way of the Bluegrass has commenced an ambitious program to bring 2-1-1 to its entire nine county service area by the end of 2006. These counties include Anderson, Bourbon, Clark, Fayette, Jessamine, Madison, Montgomery, Scott, and Woodford.

The first step took place on June 20, 2005 when UWBG launched 2-1-1 in Clark County, with a population of 34,000. Barely a month old, the pilot project provides 2-1-1 service by landline to most of Clark County from 7:30 a.m. to 6 p.m.; the agency hopes to be able to expand that service to include 24/7 coverage and cellular phone access to 2-1-1 this fall. UWBG previously brought an existing community call center, funded by United Way dollars, into their Lexington office, and it has transitioned this operation to provide the 2-1-1 service. UWBG also continues to provide I/R through this center to Fayette County using a traditional 10-digit number.

UWBG has publicized 2-1-1 in Clark County in a bilingual campaign through various media, including public service announcements aired on local AM radio stations. In addition to posters in business establishments, first responders like police, fire and EMS personnel carry "tear sheets" to pass out with information about 2-1-1.

UWBG has already started the process to bring other counties on line with 2-1-1. They hope to have all landline translations for the entire service area accomplished by early fall. Plans are to bring the other eight counties line with 2-1-1 service within the next 12 months. UWBG currently funds its internal call center operations, including its Clark County pilot project, out of the UWBG operating budget. UWBG anticipates that one-time expenses associated with 2-1-1 for the entire nine county area will be roughly \$250,000. It also anticipates annual operating expenses for its center to be roughly the same when 2-1-1 is activated in all nine counties.

### **Louisville**

Metro United Way is to launch 2-1-1 in the Metro Louisville area, as soon as funding is located. All up-front telephone translation fees have been paid. The seven county MUW service area includes Jefferson, Oldham, Shelby, and Bullitt counties in Kentucky, and

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<sup>1</sup> These include Council on Aging, the Health Foundation of Greater Cincinnati, and a small, in-kind donation from the Hamilton County Mental Retardation/Developmental Disabilities Board.

Clark, Floyd and Harrison counties in southern Indiana. Because of *telephone wire* center configurations, in order to get full coverage of the Metro area, the Louisville call center will also provide 2-1-1 service in Trimble, Carroll, Spencer and Nelson counties in Kentucky. Altogether, MUW's 2-1-1 service would reach roughly 1 million Kentuckians.

Because the translations are complete, 2-1-1 is technically operational from landlines in the MUW service area. The caller is connected to the call center through which MUW already sponsors I/R with a traditional 10-digit number. However, the number remains unpublicized because MUW has been unable to locate sufficient funding to increase staff for the projected increase in call volume once 2-1-1 is widely publicized to the area.

Since last year's report, MUW has pursued an aggressive effort to seek major sponsorship for 2-1-1 from private foundations and area businesses. This funding would supplement \$167,500 that MUW currently uses to support traditional crisis and I/R services and which would be transferred to support 2-1-1. Some entities have expressed strong interest and are considering the proposal as part of their long term philanthropic plans. Despite a lack of funding, MUW has moved forward with other steps necessary toward making 2-1-1 a reality. MUW has proceeded with an RFP for a call center to provide 2-1-1 service for the area. After an extensive review of four proposals, one response was accepted and MUW is in the process of negotiating the terms of a final agreement with that call center.

### **Rural Kentucky**

Under the current business plan, the remainder of the state would be served by a single call center. Preliminary discussions have occurred between UWKY and Senture, a London-based call center currently receiving calls for 5-1-1 in southeastern Kentucky and an ATA initiative tied to homeland security. Its capacity and experience would make Senture well positioned to add 2-1-1 to their operations. We continue to explore the possibility of a 44 county pilot project involving Senture and the Center for Rural Development, but any implementation will depend on securing adequate funding.

### **Barriers to Implementation**

The single largest barrier to full implementation of statewide 2-1-1 in the Commonwealth remains the availability of adequate funding to develop and maintain the system on an ongoing basis. As noted above, MUW and UWGC continue to make aggressive efforts to secure significant corporate and philanthropic dollars to launch and maintain this initiative. Their limited success to date highlights the need to secure a more sustainable funding stream for 2-1-1 service.

We believe that a substantial public sector commitment at both the state and federal level is needed to insure the vitality of 2-1-1 in Kentucky and across the nation. The public dollars would supplement United Way contributions and private funds, giving private donors confidence that their dollars were helping to create a sustainable essential service for the Commonwealth.

While public support is necessary to enhance the 2-1-1 service in metropolitan areas in Kentucky, it is essential to the creation of 2-1-1 outside the "Golden Triangle." Rural areas, where I/R is virtually non-existent and services are often most needed, lack the corporate resources to develop such a service.

To secure government funding, UWKY is working closely with United Way of America to secure passage of the Calling for 2-1-1 Act. This bipartisan legislation, which was originally introduced in 2003 and re-introduced this year in the 108<sup>th</sup> Congress, authorizes funding totaling \$600,000 over five years for matching grants to agencies and organizations for the development and operation of 2-1-1 service nationwide.<sup>2</sup> The measure currently has the support of nearly 1/3 of the Senate and 25% of the House, including Representative Ben Chandler.

Congress has authorized the use of federal monies for 2-1-1 in connection with bio-terrorism preparedness legislation, making funds available through state Homeland Security offices. The Kentucky Office of Homeland Security requires that these grants be made to governmental and quasi-governmental entities. UWKY continues its efforts to locate a suitable partner for a grant proposal to KOHS

UWKY is also exploring possibilities for separate state funding for a 2-1-1 system from the Kentucky General Assembly. Even if federal funding is obtained to create a statewide network, a sustainable 2-1-1 program needs ongoing state and local support. We recognize that there are many competing needs for Kentucky's tight revenues.

## Why 2-1-1 is a sound investment

### Cost versus benefit

As we noted in our last report, United Way of America commissioned a national cost-benefit analysis of 2-1-1. The results of that study, conducted by the University of Texas, were released in February of this year. The University of Texas estimates a net value to society of a national 2-1-1 system approaching *\$130 million in the first year alone and a conservative estimate of \$1.1 billion over ten years.*<sup>3</sup>

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<sup>2</sup> Bills are currently pending in both the House (HR 896) and the Senate (S 211).

<sup>3</sup> The entire study can be viewed at <http://www.211.org/news.html>.



The analysis is based largely on the data of eleven 2-1-1 centers in the following areas: Hawaii; Idaho; Connecticut; Houston, TX; Twin Cities, MN; Salt Lake City, UT; Albuquerque, NM; Grand Rapids, MI; Atlanta, GA; Sioux Falls, SD; and Jacksonville, FL. These 11 centers offer a representative cross section of different configurations of 2-1-1 systems. They include unified statewide systems (like Connecticut); individual centers in a non-unified statewide system (like Houston Texas); individual regional 2-1-1 operations (like Salt Lake City). Each center chosen for the study had been operational for a minimum of two years, and the project also included Atlanta, the oldest 2-1-1 system in the nation.

### **How 2-1-1 creates savings**

The study documented savings to employers, government, and taxpayers in a wide range of categories, including:

- Time saved for individuals and families through a one-stop call center for a variety of services
- Decreased need for public assistance because of timely connection with appropriate intervening services
- Reduction in non-emergency calls to 9-1-1
- Reduction in the number of 1-800 numbers funded by government
- Enhanced tax assistance and recovery, such as the Earned Income Tax Credit
- Volunteer recruitment for non-profits and ability for government to mobilize volunteers in times of crisis
- Savings for business through reduced absenteeism and increased productivity due to enhanced information on where employees can find services
- Planning information for cities and counties informed by the data collection of call volume and referrals for a comprehensive array of services
- A broad communication network for public dissemination of information about changes in federal, state and local programs
- Cost avoidance for state and local government of misdirected calls for services
- 24 hour a day, 7 days a week service
- Ability to disseminate public health and crisis preparedness information

The study found that the benefits of 2-1-1 systems increase over time, as new, innovative uses are employed for the number. For example, Connecticut's statewide 2-1-1 system manages the State of Connecticut's QuitLine, a tobacco use cessation hotline. To implement the service, Connecticut 2-1-1 hired one program manager and trained 2-1-1 call specialists on how to handle QuitLine-specific calls. It is estimated that without the 2-1-1 partnership, the state would have needed to establish a call center and hire five to seven people to handle the calls.

Many of these areas of savings are readily apparent for a Kentucky system as well. As noted above, 2-1-1 in northern Kentucky is already enjoying great success with its EITC program. Also, several Kentucky laws mandate 24 hour or toll free information lines,

requiring additional state resources to set up and staff. Often, these lines are accessible only from 8a.m. - 4:30 p.m. Monday through Friday. Outsourcing this task to 2-1-1 call specialists, already trained in I/R, would provide a cost-effective way for the state to eliminate these 800 numbers and provide information around the clock.

### **The unique role of 2-1-1 in disaster preparedness and homeland security**

While 2-1-1 is a valuable tool on an ongoing basis, it offers unique value and opportunity in times of crisis and disaster of any magnitude – whether natural or man-made. It can serve as the clearinghouse for coordinating and mobilizing the massive needs and available resources.

For example, 2-1-1 was integral in the response to a recent chemical spill in Graniteville South Carolina. On January 6, 2005, at 2:45 in the morning, two trains collided in Aiken County, South Carolina, releasing a 90,000 pound cloud of highly toxic chlorine gas. The cloud left nine people dead and more than 500 requiring medical attention. Nearly 6,000 people were evacuated from their homes for a week and in some cases, two weeks.

Immediately, calls started pouring in to 911. Most of the calls were not life threatening in nature but simply seeking information. Emergency services quickly asked the media to publicize 2-1-1 as the number to call for information and referral assistance. During the two week disaster period:

- Aiken 211 fielded more than 2,700 disaster calls and 374 non-disaster calls.
- The average daily call volume at Aiken 211 increased from 26 to 195 calls per day – 172 disaster-related and 23 non-disaster calls.
- Aiken 211 provided information not only to area residents, but also to other states and Canada, to national media outlets, and to state and federal governmental agencies.

Kentucky is home to stockpiles of chemical weapons. If a leak were to occur, 2-1-1 would serve a vital role in managing this biohazardous event, coordinating and disseminating critical information and leaving 911 free to handle true life-threatening emergencies.

### **National View**

While Kentucky's coverage is just at 10%, 2-1-1 service is currently available to 47% of the population of the United States. In connection with the 5 year anniversary of the FCC's designation of 2-1-1 for I/R, United Way of America is preparing a report to the FCC regarding the status of 2-1-1 nationwide. That report, which should be available later this year, will no doubt provide a wealth of useful information for Kentucky and other states.

## Summary

Despite the lack of funding, Kentucky 2-1-1 has made visible progress over the last year. 2-1-1 service has commenced in central Kentucky, and promises to expand within the next year. Northern Kentucky's operation remains strong. The metro Louisville area has moved forward with further behind-the-scenes work, and is literally ready to "flip the switch" when funding is obtained.

The Commission has been an invaluable partner and resource to UWKY in our implementation process. We appreciate the Commission's interest in the 2-1-1 initiative and its designation of UWKY as the lead agency for statewide implementation.