

EXECUTIVE SUMMARY

The Ray Marshall Center for the Study of Human Resources at The University of Texas at Austin's Lyndon B. Johnson School of Public Affairs has developed estimates of the benefits, costs, and net value created by public and private investments in a national, three digit- accessed (2-1-1) information and referral (I&R) network for health and human services in a study conducted for the United Way of America.

RESEARCH APPROACH

Ray Marshall Center researchers collected fiscal (e.g., budget and expenditure reports) and operational data (e.g., call volume, service requests, and referral data); conducted site visits and interviews with program administrators and staff of eleven state and local 2-1-1 information and referral call centers; and interviewed 239 individuals, including professionals and members of the general public who have used 2-1-1 to address health and human service needs. The information, data, and observations regarding benefits and costs gathered through this research provided the basis for an *ex ante* estimation of the net value of a national 2-1-1 I&R network.

The analysis is presented from the perspectives of participants (individuals and organizations), taxpayers, and society as a whole, the latter arguably the most important perspective for public investments. Benefits and costs have been projected for a ten-year period and discounted to net present value. Net value to society is presented as the difference between the benefits accrued and the costs incurred by participants and taxpayers, less taxes and transfers between them.

RESULTS

Benefits, costs, and net value of a national 2-1-1 information and referral network have been estimated under four scenarios. The principal one is a mixed model scenario, in which each state is assigned one of three organizational models that the statewide 2-1-1 effort has adopted or appears likely to adopt--the national estimate is based on the combined results of states operating under three models simultaneously. Under the three single model scenarios, the national estimates are based on all states operating under only one of the three models: a centralized administration/single call center model, a decentralized administration/multiple call center model, and a hybridized centralized/decentralized call center model that incorporates features of both. The three single model scenarios may be more illustrative for states electing to pursue one of these approaches for their statewide organization.

Under three of the four 2-1-1 scenarios examined, the estimated net value to society is positive. Only the scenario of a single model/decentralized system produced a negative net value. The mixed model scenario—which most closely conforms to the current distribution of approaches among states—produces an estimated net value to society of more than \$530 million over ten years in net present value. Net values to society for the centralized and hybrid models, ranging from \$430 million to \$1.1 billion over ten years in present value terms, indicate that these merit serious consideration. The generally positive estimated net value of a national 2-1-1 I&R network is supported by observations drawn from conversations with call center administrators

and staff, as well as local health and human services professionals and individuals from the general public who have used 2-1-1.

Under the *mixed model scenario*, investing in national 2-1-1 access to I&R services is strongly supported by the net value estimates.

- The net value to society of 2-1-1 I&R access approaches \$69 million in the first year, and benefits exceed costs by \$530 million over ten years, discounted to net present value. The benefit/cost ratio for society over ten years is 1.36.

The net value estimates for society resulting from the *centralized model scenario* also support investing in national 2-1-1 access to I&R services:

- The net value to society of 2-1-1 access approaches \$58 million in the first year. Net value is well above \$490 million over ten years and more than \$432 million, discounted to net present value. The benefit/cost ratio is 1.27 for ten years.

The net value estimates for society under the *hybrid model scenario* also lend strong support for investing in national 2-1-1 access to I&R services.

- The net value to society of national 2-1-1 access to I&R services approaches \$130 million in the first year alone and nearly \$1.1 billion over ten years when discounted to net present value. The benefit/cost ratio for society is 2.26 over ten years.

The *decentralized model scenario*, because of its negative net value estimates, should be pursued with caution.

- The net value of 2-1-1 I&R access to society is negative. Costs exceed benefits by nearly \$47 million in the first year and by about \$527 million over ten years when discounted to net present value.

Research also indicates that:

- The viability of maintaining and expanding a standards-based, national 2-1-1 information and referral network is dependent on the infusion of additional funds.
- Several promising prospects and practices are available to further offset costs in favor of enhanced net value, including improving access to basic needs assistance, public health information, employment and training services, volunteer placements and donations, and public information about special initiatives and events.
- The national 2-1-1 effort is ripe for enhanced public/private sector collaboration as the entities that operate the 2-1-1 call centers and the public agencies that administer the vast majority of health and human services resources recognize the complementary features of their service delivery systems.