ROI for Government Law Libraries

Using cost-benefit analysis to calculate value.

BY STEVEN P. ANDERSON

When one thinks about law libraries and return on investment (ROI), they might think it's relatively easy for someone to plug in figures from their state law library into some kind of "ROI calculator" and get a simple ratio that tells everyone how much money they saved their institution. Such an inquiry could only be strengthened by assistance from fellow American Association of Law Libraries (AALL) colleagues. Soon after the Association's Economic Value of Law Libraries Special Committee was formed, with assistance from HBR Consulting, its 2015 *The Economic Value of Law Libraries* report described six overarching best practices. (Read the full report at bit.ly/AALLEconomicValue15.) An interesting factor about the report is that only one out of the six best practices referenced actual numbers.

Because libraries' missions are so different from each other and because libraries have historically followed those missions in different ways, it started to make sense that an "ROI calculator" for law libraries simply could not exist. Rather, in addition to quantitative justification for library funding, *The Economic Value of Law Libraries* report emphasized the critical need to solidify libraries' communications with their organizational leadership and to contextualize numbers with qualitative information.

This way, libraries can shape perceptions of value into three key categories: communications, qualitative information, and quantitative information and analysis. This article will analyze each of these categories from the viewpoint of court libraries.

The Court Library System

A crucial element to consider when discussing court libraries' communications with organizational leadership is that the library must be in step with the mission of the entire organization. How does a law librarian know what the mission of the parent organization is (at least without asking

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the chief judge this most basic of questions)? Sometimes, one can find it explicitly (see sample mission statement for Maryland courts at bit.ly/MDstrategic). At other times, librarians may surmise correctly that the mission is to provide equal access to all who come before the court. The effect for most court libraries is that they are open to the public and they serve both the savvy Westlaw user from Big Firm LLC, and the worker who might be more at ease reading *Cómo Comprar Su Primera Casa*. Understandably, some court libraries have a relatively narrow focus, such as the legal needs of a single county or city, while others serve the state's judiciary a bit more broadly.

Another feature that court libraries share is that staff almost always report in some way to the chief judge of the jurisdiction (even with intermediaries). Without posturing, I can tell you that chief judges are *busy* people. Typically, this means that they often prefer incremental improvements rather than large scale ones, which require significant commitments of time and energy.

Communication

One additional commonality is that court libraries have publicly funded budgets, and the community has a right to know what they spend on librarian services. Are they receiving value?

How would you communicate the challenges of serving a diverse user group on a tight budget to your chief judge? In a heavy binder filled with other data on hours of operation and expenses? No. It's likely that a short memo, even via email, is sufficient; however, it makes sense to stay knowledgeable about the way other court managers communicate with the chief judge. It also makes sense to schedule reports in conjunction with the decision-making calendar of the court itself. For example, in Maryland, June is an ideal month because the start of the fiscal year is July 1 and the budget request for the following year is due about five weeks later. This would give you (theoretically, at least) three fiscal years in which to schedule purchases.

Whatever you do, do not call an online catalog an "OPAC" or an "ILS." Unless the chief judge went to a library school (a most unlikely event), he or she will not be familiar with library-related buzzwords and acronyms.

It is best to present information in a formal meeting setting, at least once a year. The presenter does not need to go over everything in detail. Rather, the librarian can point out highlights that are relevant to the institution as a whole. It's much better, for example, to say that there is a 30 percent rise in foot traffic this year, adding that anecdotally, this is because of the new self-help center across the hall, than to get into minute details (e.g., "The library saw a 1.34 percent drop in ILL usage during the last 16 months.") Reuse your best soundbites and adapt them for different audiences and settings.

The Data Game

Having relevant qualitative data is a necessary component of being well informed. For example, the Maryland State Law Library uses testimonials to highlight the impact of services. Approximately half of the library's reference work is done via email, which provides an easy way for someone to compliment library staff. When a staff member receives a thank-you note, save the message in a "THWUNK" file. "THWUNK" is the sound that a ream of paper makes being slammed down on a desk as if to say, "Here, what do you think of this?" Before every library committee meeting, anonymously copy the exact language of the thank-you notes from the "THWUNK" file into the meeting agenda, so that the committee members know that the library touched real people and has value. These notes are unsolicited and freely given. Even though they take up almost half of the agenda, the committee needs to be aware of this public input. The following are a few of the recent notes that the Maryland State Law Library has received:

- Thank you so much for your interesting answer. It is very helpful. Please know I appreciate your time and help on this research. It saves me time and helps me a lot for my legal strategy. I am very grateful. Thank you so much for being great public servants.

- I can't thank you enough for the list. … What great service. I appreciate it so much.

- Thanks! This is very helpful and I appreciate how hard it is to get this information.

- You have provided an incredible wealth of background material. I will be sorting for a while with a tight deadline looming. Thank you for all your help. It's marvelous.

The Maryland State Law Library also has a SurveyMonkey account, with a created LibQUAL-like form, which is linked from every sent email and also appears on the front page of the website. Although this is only a snapshot, it is reassuring for the library committee to know that 85 percent of respondents rated their interaction with the library as "excellent" overall, and 88 percent of them were "very likely" to use the library again or to recommend it to someone else.

Cost-Benefit Analysis

When considering qualitative measurements, try to use methods that demonstrate a positive impact on the organization. Whenever you report library-related statistics, report them in the context of importance to the organization. For example, if you are reporting on the number of reference questions answered, add a statement that the higher the number, the greater assistance you provided to judges, self-represented litigants, and attorneys. While it is important to align your valuation strategies with others in the organization, librarians need to take the lead.

As indicated in the Committee's report, there are several ways in which you can calculate ROI. Of those organizations that perform quantitative fiscal analysis, most use an "impact of service" model, which analyzes the result of contributions of services and resources of a department to the organization's success. Outside of specific projects, however, the numerical inputs are difficult for court libraries to locate and use.

The second-most used methodology, "cost-benefit analysis," seems to be much more straightforward for court libraries to employ. In cost-benefit analysis, value is calculated based on the estimated cost of the resulting benefit divided by the cost of the service or resources.

First, we will use cost-benefit analysis to examine a project-based hypothetical and then look at a real-life example from the Maryland State Law Library. For example, say you would like to start a small scanning project that will cost $5,000 for the vendor. You estimate that there will be 500 users per year, so you might think the cost of each search will be $10 (at least

ROI CALCULATION
Estimated cost of the resulting benefit / (divided by) the cost of the service or resources = value proposition

for the first year). This figure is true for raw numbers, but your conversion of print to digital materials actually has a much greater impact on the library's investment in this project.

A 2010 paper by University of Michigan researchers titled, "A Day Without a Search Engine: An Experimental Study of Online and Offline Search" by Yan Chen, Grace YoungJoo Jeon, and Yong-Mi Kim, is highly instructive in this regard. The study found that a web search for the correct answer to a question took seven minutes, while a library search took 22 minutes to answer the same question. The web search saved the user 15 minutes. To view the study visit bit.ly/MDstudy.

The cost of time saved (in Maryland, per average worker) is $26.27 per hour divided by four [60 minutes divided by the number of minutes saved (15)], which is $6.57 per search. (For more data on salaries and hourly wages, visit bit.ly/Salarygov.) Multiply the cost of a single search ($6.57) by 500 searches per year, and it turns out that your $5,000 investment yields an average worker time savings of $32,850 per year. Your ROI in this simple project is a factor of 6.57:1 (the estimated cost of the resulting benefit divided by the cost spent on the service). The ROI is likely to be far higher in succeeding years, as the initial cost has already been paid.

An ROI of 6.57:1 certainly is not something to be ignored. However, it is lacking certain cost inputs that make this total savings illusory, indeterminate, or at least less likely than 6.57:1. The four main cost inputs that are missing include:

- The initial cost of acquisition of the scanned item (which is why ephemera, such as state publications procured for free, will always have a higher ROI).

- The actual cost of keeping the print material clean, dry, well-preserved, and well-cataloged in the library.

- The actual or imputed cost to the library of the librarian's time in managing the digitization project.

• The cost of maintaining the newly digitized online resource, which ultimately necessitates server acquisition and maintenance, a software platform, and connectivity.

While online access is moving to ubiquity, it is not there yet. When planning, you must take into account the fact that each researcher will be out at least $1,000 for the purchase of their computer, software, and internet connection. If the person is accessing the newly digitized material from a computer that is not their own, then the host computer's owner, such as a public library, will bear some of the cost.

Unless the institution as a whole commits to a certain methodology, a library doing this on its own and not addressing all the input factors damages the credibility of the librarian's assertions. Nevertheless, cost-benefit figures can be helpful to use because they raise the issue of which cost elements you might be discarding or ignoring. In the above case, it is certainly probable that the project would still be beneficial to the public, even if one were to incorporate the added costs.

The Maryland State Law Library is unique in at least one way: It operates the state's main legal self-help website, the People's Law Library of Maryland (PLL). The library's primary focus is on Maryland state civil law of interest to low- and moderate-income Marylanders (persons in state court without representation). It consists of about 600 pages of both substantive and procedural law.

Because the library strives to update all material annually, the site relies a great deal on the Maryland legal community for both new and updated content. While reliance on Maryland Legal Services Corporation grantees, pro bono attorneys, and students has been helpful, the library is now in its second year of hiring paid "PLL Fellows," which provides an opportunity for law students and new graduates to gain practical writing skills, meet key attorneys in the legal services community, and to help spread the word about PLL to their friends and colleagues. In addition, the site has had the good fortune of using language students for foreign translations.

The main point is that the library is maintaining a high-quality research website at a very low cost. In FY-2015, PLL had 1,227,319 sessions/visits and 1,893,159 page views. From this data, we can assign the number of sessions/visits (1,227,319) as representative of questions answered. Then, using a cost-benefit analysis and the "cost of time saved" amount of $6.57 from above, we can see that PLL saved its users a total of $8,063,486 per year (1,227,319 x $6.57). Looking at PLL's ROI at the project level, and with staffing, server maintenance, and hosting, the library's cost was approximately $120,000 in FY-2015. The PLL project's ROI was an enormous value at 67:1 ($8.063 million divided by $120,000). In fact, if we were to look at the costs related to the site, we would find that the site pays not only for itself, but for the whole law library. In FY-2015, the library's overall budget was approximately $2.5 million. The ROI of PLL to the State Law Library was about 3.2:1 ($8.063 million divided by $2.5 million). As you can see, cost-benefit analysis can vary greatly, depending on what cost inputs are used. However, it remains a useful tool as it provides some sort of monetary value for libraries.

Today, librarians must be knowledgeable leaders in addition to being skilled researchers. Court librarians can no longer roll their eyes when someone mentions quantitative valuation. We need to become more facile with its terms and more adept with using its methodologies. We also must become more assertive about informing court leadership about both the quantitative and qualitative aspects of our libraries.

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