



ARIZONA BRAILLE and TALKING BOOK LIBRARY

RETURN ON INVESTMENT ANALYSIS

The Return on Investment to the State of Arizona from the Braille and Talking Book Library System

Scope of the Project

The State of Arizona and many other governmental funding sources nationwide are reviewing their “Performance Measurement” processes, including metrics such as Return on Investment, Outcome Measures, Efficiency Measures, and Citizen-Based Evaluation Measures in an effort to improve efficiency and the delivered value of their multiple different types of operations. This report provides a basis for delivering these measurement results to the community.

This analysis follows the basic structure and procedures developed by the New Jersey State Library and the Highlands Regional Library Cooperative Funding and Resource Development Task Force. Additional input was taken from the consultant’s report “Value for Money: Southwestern Ohio’s Return from Investment in Public Libraries”, the Public Library Data Service Annual Reports, and various financial analysis tools and methods used in the private sector.

Process

The process of developing this analysis included the identification of measurable benefits provided by the BTBL library system to the visually impaired population throughout the State through many different sources including specialized media (talking books, Braille materials, descriptive videos, etc), specialized equipment (National Library Service tape machines), new technologies (NewsLine® and Web-based services), and community services including programs and seminars.

Many of the usage statistics for these areas have historically been tracked by the Braille and Talking Book library administration, but several areas were not. BTBL personnel are to be commended for researching these areas and providing realistic usage numbers on a priority basis.

The definitions of value to community are based on a variety of published sources (such as the average cost of new books from other sources providing special materials to the visually impaired) where available, surveys of local costs (such as equipment repair costs) when appropriate, surveys of State residents (for costs such as prices that people were willing to pay for seminars and presentations), and realistic formula calculations (such as the expenditure per capita for the total population of visually impaired Arizona citizens).

Each of these costs were reviewed in detail with the BTBL management and independently reviewed with comparable costs for equivalent services.

Conclusions

Based on comparative results for other library systems, and the valuation basis used in calculation of community benefits in other library systems, the transaction volumes, historical trends, and community benefits are consistent and accurate

This analysis presents fairly the Return on Community Investment in the State of Arizona Braille and Talking Book Library System.

August 20, 2007

John Byrnes
Principal
Community Service Analysis, LLC

**BRAILLE AND TALKING BOOK LIBRARY
POTENTIAL USER GROWTH**

	2003	2004	2005	2006
Total State of Arizona Population	5,580,811	5,743,834	5,939,292	6,166,318
Percentage of Legally Blind Population (based on 2005 AZ Dept of Health Report)	2.7%	2.7%	2.7%	2.7%
Legally Blind Arizona Population	150,682	155,084	160,361	166,491
BTBL Users Served (based on total equipment outstanding)	10,832	11,757	12,152	12,203
Percentage of Eligible State Population Served by BTBL	7.2%	7.6%	7.6%	7.3%

CSACO
BTBL VALUES ANALYSIS

<u>Service Provided</u>	<u>Value</u>	<u>Basis for Valuation and Pro's & Cons</u>
Books	\$11.49	Based on SimplyAudioBooks rate Pros: <ul style="list-style-type: none">- rental for actual book- No late fees- No shipping charges- 22,000 titles Cons: <ul style="list-style-type: none">- CD-based (potentially hard for visually-impaired users)- Requires annual signup
	\$7.49	Audible.com rental rate Pros: <ul style="list-style-type: none">- Industry leader (in volume)- 35,000 titles- downloads to ipod/mp3 players Cons: <ul style="list-style-type: none">- selections via web browser; awkward and possibly unworkable for visually impaired users).- this is an introductory rate; the price will increase to \$14.95 after three months.- Requires software installation.

Service Provided

Value

**Basis for Valuation and
Pro's & Cons**

Books (continued)

\$50/year flat rate

BookShare membership

Pros:

- flat fee for all download per year
- also available in digital Braille
- free “talking software” provided

Cons:

- format is full text (not audio)
- access via web browser
- requires PC-based text-to-audio software

CSACO
BTBL VALUES ANALYSIS

<u>Service Provided</u>	<u>Value</u>	<u>Basis for Valuation and Pro's & Cons</u>
Magazines	\$3 per issue	<p>Based on annual subscription fees for Recorded Periodicals, a division of Associated Services for the Blind.</p> <p>Pros:</p> <ul style="list-style-type: none">- Established commercial rate for magazine formats- Issued in NLS cassette format- Several dozen titles available <p>Cons:</p> <ul style="list-style-type: none">- Many other choices exist with abridged materials that are free.

CSACO
BTBL VALUES ANALYSIS

<u>Service Provided</u>	<u>Value</u>	<u>Basis for Valuation and Pro's & Cons</u>
Braille Books	\$6 per book	Based on average Braille book rates from the National Braille Press Pros: <ul style="list-style-type: none">- Conservative value that compared very favorably to cost of books in local retail stores.- Wide selection of titles Cons: <ul style="list-style-type: none">- Cost is for purchase of books (not rental)- Costs vary widely with many books free based on subsidies from various groups (i.e. children's books, computer books)

CSACO
BTBL VALUES ANALYSIS

<u>Service Provided</u>	<u>Value</u>	<u>Basis for Valuation and Pro's & Cons</u>
Off System Circulation Materials	\$11.49	<p>Same rate as standard books even though sourced from other collections (SimplyAudioBooks rate)</p> <p>Pros:</p> <ul style="list-style-type: none">- same rate for same types of deliverables- recognizes additional value provided by BTBL in acquiring/handling/delivering materials <p>Cons:</p> <ul style="list-style-type: none">- None known at this time

CSACO
BTBL VALUES ANALYSIS

<u>Service Provided</u>	<u>Value</u>	<u>Basis for Valuation and Pro's & Cons</u>
Descriptive Videos	\$3 per rental	<p>Published rental fee per video from Blue Rose Videos</p> <p>Pros:</p> <ul style="list-style-type: none">- Conservative rate comparable to local video store rental rates.- Does not include \$20 initial setup fee. <p>Cons:</p> <ul style="list-style-type: none">- Blue Rose has only about 500 titles available.

CSACO
BTBL VALUES ANALYSIS

<u>Service Provided</u>	<u>Value</u>	<u>Basis for Valuation and Pro's & Cons</u>
Special Machines For Visually Impaired Users	\$300 per machine	Cost of old model cassette machines Pros: <ul style="list-style-type: none">- Actual cost of machines with no markups- Conservative price for machines that are not commercially available. Cons: <ul style="list-style-type: none">- Machines actually provided free by NLS.
	\$50 per machine	Average price for cassette players at commercial outlets. Pros: <ul style="list-style-type: none">- commercial prices for basic machines.- Capable of paying standard books-on-tape. Cons: <ul style="list-style-type: none">- lack specialized features for visually impaired users- cannot play free customized tapes provided by NLS & BTBL.

CSACO
BTBL VALUES ANALYSIS

Service Provided

Value

**Basis for Valuation and
Pro's & Cons**

**Attendance in
Programs Presented**

\$20 per attendee

Average rate for program attendance at local seminars and programs

Pros:

- local average rate for multiple types of programs
- conservative number because specialty programs are typically higher

Cons:

- many programs for physically impaired people are frequently heavily subsidized
- hard to measure since most programs for visually impaired users run multiple days and draw from large geographic areas.

CSACO
BTBL VALUES ANALYSIS

<u>Service Provided</u>	<u>Value</u>	<u>Basis for Valuation and Pro's & Cons</u>
Attendance in Exhibits and Activities	\$15 per person	<p>Based on average costs of seminars and exhibit activities including the National Organization of Parents of Blind Children</p> <p>Pros:</p> <ul style="list-style-type: none">- Conservative number based on typical rates.- Includes commercials subsidies from exhibitors. <p>Cons:</p> <ul style="list-style-type: none">- many programs for physically impaired people are frequently heavily subsidized- hard to measure since most programs for visually impaired users run multiple days and draw from large geographic areas.

CSACO
BTBL VALUES ANALYSIS

<u>Service Provided</u>	<u>Value</u>	<u>Basis for Valuation and Pro's & Cons</u>
Newsline Users	\$1 per access	Survey value of specialty news publications (i.e. Wall Street Journal)
	<hr/>	
	\$11 per month	Average monthly Subscription rate for local newspapers
		Pros: Standard subscription rates not adjusted for additional labor required to prepare audio versions.
		Cons: BTBL/NLS tracking system does not extend to monthly users.

CSACO
BTBL VALUES ANALYSIS

Service Provided

Value

Pro's & Cons

Web/Braille Users

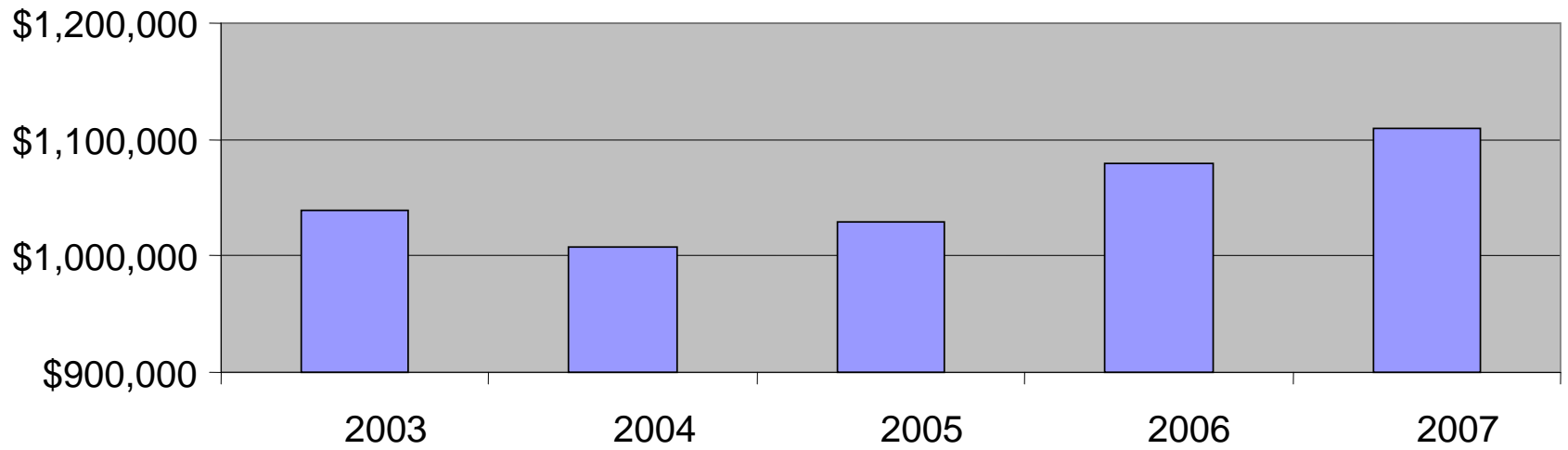
\$6 per book

Based on average Braille book rates from the National Braille Press

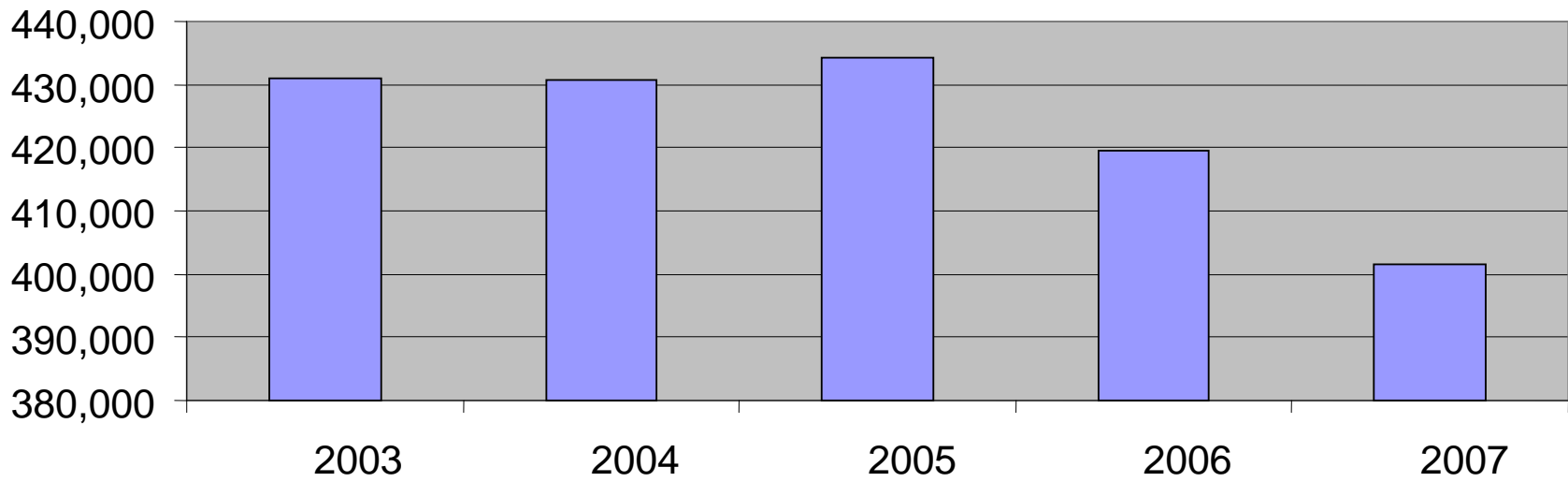
CSACO
BTBL VALUES ANALYSIS

<u>Service Provided</u>	<u>Value</u>	<u>Basis for valuation</u>
Special Cassette Machine repair	\$52.50 per incident	Repair rates (\$35 per hour) at regional television and stereo repair facilities. Estimate 1.5 hours per service based on BTBL technician experience.

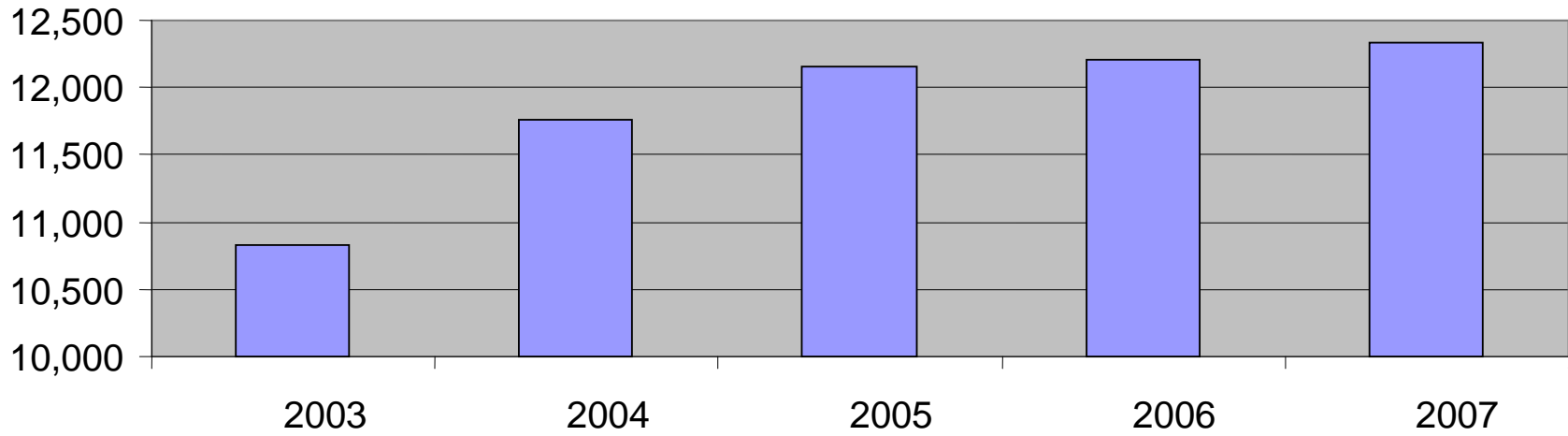
Total BTBL Costs



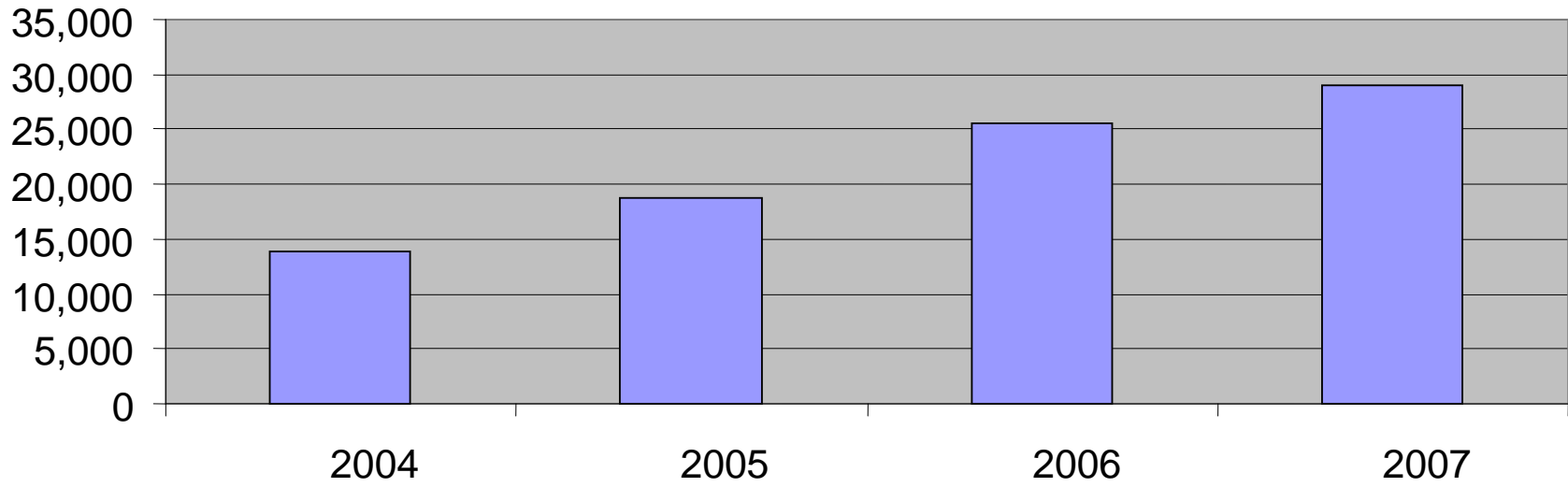
Total Materials Circulated



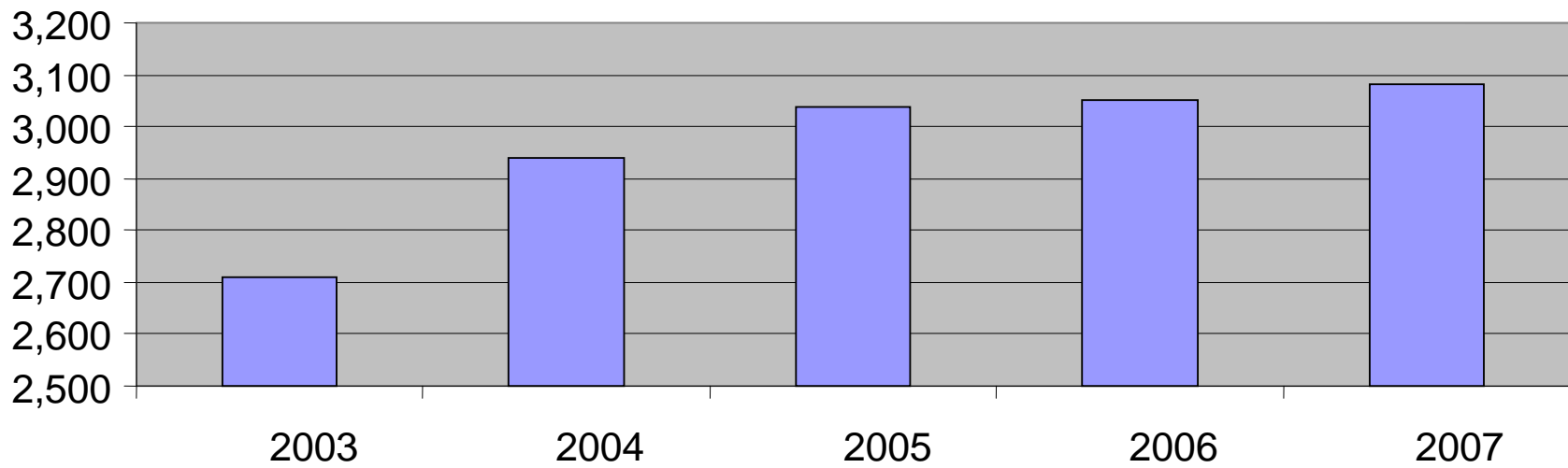
Total Special Machines Provided



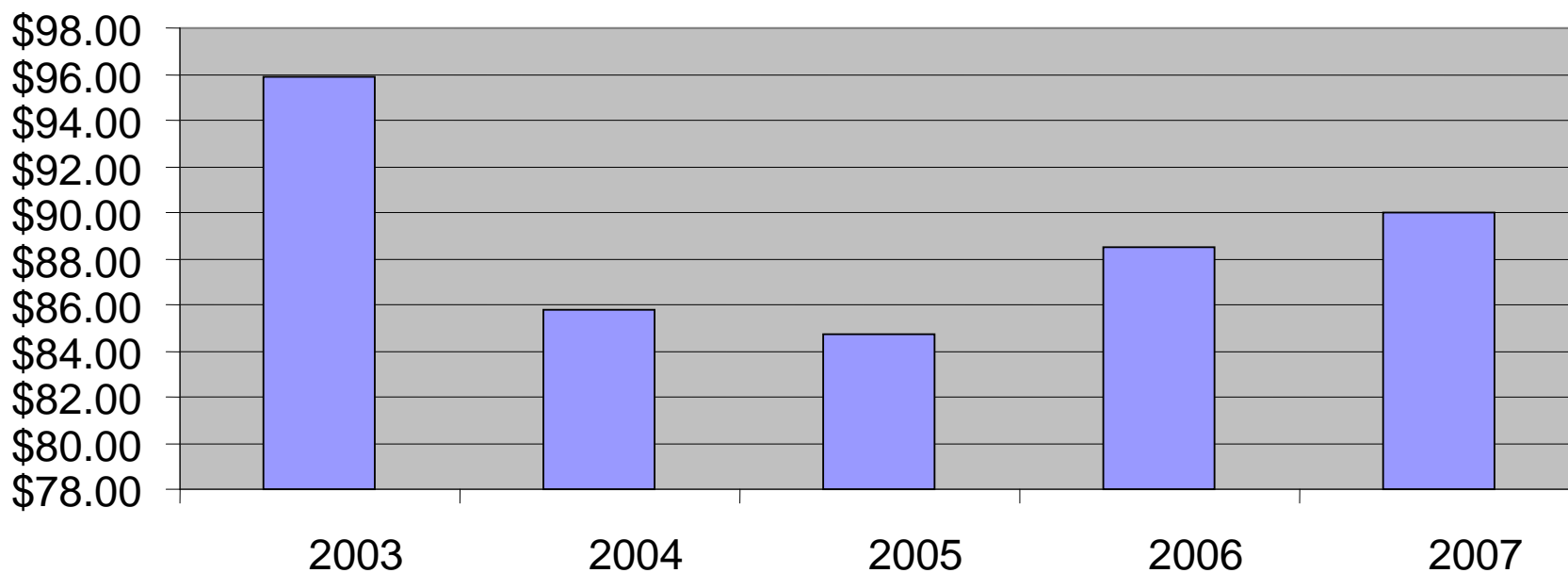
Newsline Calls



Visually Impaired User per Reader Advisor Staff



Dollars Spent Per Year Per Visually Impaired User



BTBL NEW TECHNOLOGY DIRECTION

The primary basis for the BTBL “Talking Book” services has been the specialized cassette tape players specifically designed for visually impaired users supplied by the National Library Service (NLS).

The NLS is making a major change in technology. The production of the old cassette tape players has ceased and a new digital technology player is being introduced starting in 2008.

This new technology will eventually be more cost-effective for the Arizona BTBL, since it will solve long-term issues including facility costs, storage space, duplication costs, and equipment repair costs, there are additional short-term costs that BTBL faces during the transition period during the next few years.

These include:

<u>Description</u>	<u>Projected Cost</u>
Purchase of Flash Media cards	Provided by NLS
Duplication Software	\$5,000 (estimate)
Large Print/Braille Labeling Equipment	\$15,000
Different format shipping materials	\$25,000

Costs for converting existing locally-produced recordings in analog format to new NLS digital format \$25,000

Estimate based on approximately 1,000 locally produced recordings and past experience in analog-to-digital conversion projects.

Note: These conversion costs can be spread over multiple years as conversions are required.

Projected New Digital Technology Conversion Costs \$ 80,000