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Improving the Utility of Public Library Budgets:

Information Used in Public Libraries in the Commonwealth of Virginia

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A public library budget can serve varied purposes: a contract, a management tool, a communication mechanism, a financial control mechanism, a motivator, a plan, a major policy-making tool and as an instrument of democracy.

This paper presents a methodology that public library directors can use to determine if the budget contains the information they need in order to make decisions.

In the Commonwealth of Virginia, public libraries are experiencing budget squeezes. Costs are increasing not only for materials but for the delivery of services as well. Library directors are having to make decisions about maintaining a high quality of service while simultaneously maintaining the level of materials in spite of these rising costs. While prices were increasing, funding was not increasing at a proportional rate.

In the Commonwealth of Virginia, a shortfall of revenues for the state was realized, and Governor Douglas Wilder began to undertake cuts in the public sector agencies. As funds became scarce at the state level so did funding at the local levels from whence public libraries draw resources. Therefore, the crisis became even more critical for public libraries. While raising revenues was an option, it was met with stiff resistance. Thus, improving budgetary practices became one means of dealing with the decline of funds.

The budget is the foundation for the operation of a library. Without a budget and the resulting funding, the library would cease to exist. The activities associated with the development of the budget affects the shape and condition of the library and the efficiency and effectiveness of the library programs. Jesse Burkhead, in *Governmental Budgeting*, examines how a budget is formulated, the information it contains, and the way that this information is presented. The budget formulation, content, and presentation exert a great influence on which programs are selected and the degree of efficiency and effectiveness with which they are implemented. Efficiency and effectiveness of public organizations can be enhanced by improving the quality of information that is included in the basic plan (the budget) that controls operations.

This paper will present a methodology that public libraries can use to assess the

adequacy of the information contained in their budget documents. Thus librarians will be able to judge whether their budget meets their decision/policy-making needs. In addition this paper will present the results of a survey, using this methodology, of public libraries in the Commonwealth of Virginia. Conclusions regarding the adequacy of the information in the budgets of these communities will be discussed. Recommendations for the improvement of public library budgets will be presented.

Purposes Budgets Can Serve

The importance of a knowledge of budgeting procedures and practices by public administrators or library directors cannot be overemphasized. Too many people view the budget as merely the listing of the requested revenues and the proposed expenditures. Little thought is given to the planning that should be involved in the budgeting process or the other purposes that can be accomplished by the steps involved in the preparation and execution of the budget. Thus, the importance of the budget is often overlooked.

The use of the budget document merely to list the library's expenditure requests serves to deemphasize the importance of the budgetary process in shaping policy, allocating scarce resources, and serving as an instrument for managerial control. As Jesse Burkhead points out, governmental budgeting is one of the major processes by which the use of public resources is planned and controlled. To the extent that this is done well, governmental programs are brought increasingly to the service of the citizens, enhancing their material and cultural status. The importance of local government budgeting is also stressed by Donald Beatty, former Executive Director of the Municipal Finance Officers Association. He emphasized in *Forecasting Local Government Spending*, that effective and efficient administration is the result of budgeting, and that the budgetary process is used to formulate policy and

make decisions. The budget is in essence the groundwork for goal achievement and fiscal control.

The budget can serve public officials and other citizens in many ways. Aaron Wildavsky has suggested that the purposes of a budget can serve are as varied as the purposes of men. Historically, these purposes have included that of a contract; a management tool; a communication mechanism; a financial control mechanism; a motivator; a plan; a major policy-making instrument and an instrument of democracy. Each of these purposes will be discussed briefly below.

The Budget as a Contract

A budget may be regarded as a contract. The legislature and the chief executive promise to supply an agency (i.e., library) with funds which the agency agrees to spend for purposes that have been agreed upon. In this sense, a budget is a contract between the legislative branch and the executive branch. On the other hand, a budget might be regarded as a contract between citizens in general and the local government (library). That is, the citizens have agreed to pay a certain amount of taxes so that they be provided certain services by the local government.

The Budget as a Management Tool

The budget serves as the expression of the decisions and responsibilities which translate approved activities into specific projects and provide the means for the designing of organizational units that carry out these activities. As a management tool, a properly designed budget can help librarians in determining the efficiency of their library. A budget certainly provides a manager with a description of the resources that are available to carry out their responsibilities. In 1971 Allen Schick of the Brookings Institution believed that a well-designed budget system could increase the responsibilities and accountability of management. If the budget includes detailed specification of how the activities funded are to be carried out, Wildavsky viewed it as serving as a work plan. While Willoughby viewed the budget as an instrument for achieving administrative efficiency, economy, and honesty through business-like behavior.

The Budget as a Motivator

It has long been thought that people are motivated by the existence of goals, objec-

... governmental budgeting is one of the major processes by which the use of public resources is planned and controlled.

The budget is in essence the groundwork for goal achievement and fiscal control.

tives and targets. Latham and Locke perceived goal setting as a motivational technique that worked. Budgets can be used to motivate the members of the organization by serving as targets and by serving as mechanisms for gaining involvement and commitment. Anthony Hopwood explained human behavior in an organizational setting where both management and employees are more likely to be effective and satisfied if they have a clear sense of purpose. This purpose enables them to comprehend better where they are going and whether they are getting there. Thus, with the appropriate information the budget can serve as an important motivational instrument.

The Budget as a Financial Control Mechanism

Allen Schick and W. F. Willoughby viewed the budget as a financial control mechanism. A budget can be designed that will provide strong control over departmental expenditures and considerably reduce the administrative discretion of department heads. As a financial control mechanism the budget can be viewed as a means to define and locate responsibility.

The Budget as a Plan

Certainly the budget can be viewed as a plan according to Wildavsky; a plan where choices are coordinated so as to achieve desired goals. A budget can include a detailed specification of what objectives are to be achieved by the proposed expenditures. This planning orientation can suggest alternative methods of achieving these objectives.

The Budget as a Major Policy-Making Process

Whether intended or not, the budget is a major policy-making process. How the librarian decides to spend its scarce resources is one of the most important policy decisions that an entity will make. The budget can be seen as a process of choice between competing resources (programs). The questions library officials should ask themselves is how good their budget process is as a policy-making instrument. A good policy-making instrument will give the policy makers a choice between different alternatives for achieving the same objectives as well as point out the results of funding different levels of each alternative. Without this type of information, the policy maker

PUBLIC LIBRARIES IN VIRGINIA [Survey]

The purposes of this survey are: to determine the budgetary practices your library currently uses and how this budget is developed (Part I) and to determine productivity improvement strategies utilized in your library (Part II).

Part I

CHARACTERISTICS OF THE BUDGET AND BUDGETING PROCEDURES

Please provide the following information:

- Name of Public Library System: _____
- Jurisdictions served: _____
- Total Number of individual library patrons: (Please indicate year library statistics used: 19 ____)
- Name of person responding: _____
- Title: _____
- Length of time in current position: _____
- Number of branches: _____
- Total number of volumes: _____
- Total number of employees: _____
- Size of library budget FY 1990: _____
- Size of library budget FY 1991: _____

1. Have there been attempts, during the past (5) five years, to make significant changes in the format or informational content of your budget document?
Yes _____ No _____
2. Have you required different information or procedures in the development or review of your library budget?
Yes _____ No _____
3. Which of the following best describes the budgetary practices you now use? (Please check)
Line item _____
Performance _____
Combination of above _____ (Please describe in space below)
Other _____ (Please describe in space below)
4. Where is the staff located that has primary responsibility for coordinating the preparation of the budget? (If this location has changed during the past five years, please check both columns.)

| Previous Location | | Existing Location |
|---|--|-------------------|
| _____ Separate Office of Budget outside Library System | | _____ |
| _____ Department of Administration/Management outside the library | | _____ |
| _____ Budget preparation coordinated directly by Chief Administrator/ Librarian and immediate assistants | | _____ |
| _____ Office of Budget within Library System | | _____ |
| _____ Other (Please specify) _____ | | _____ |
5. (a) Please indicate the number of your staff that have as a major responsibility of their position library budget preparation, review and/or monitoring.
Number of employees _____

(b) Please place in the appropriate spaces, the number of the employees identified in 5(a) the highest educational level indicated below.

| | Employees |
|--------------------------|-----------|
| High School | _____ |
| Some college | _____ |
| Baccalaureate | _____ |
| Masters degree or higher | _____ |

(c) Please place in the appropriate space the number of employees identified in 5(b) having significant education or training in the following disciplines:

| | Employees |
|--------------------------------------|-----------|
| Business Administration | _____ |
| Public Administration | _____ |
| Library Science | _____ |
| Economics | _____ |
| Political Science | _____ |
| Social Science (History, Soc., etc.) | _____ |
| Humanities (English, etc.) | _____ |
| Computer Science | _____ |
| Sciences | _____ |
| Accounting | _____ |
| Other (please specify) _____ | _____ |

Part I continued ...

(d) Please indicate below information pertaining to the person whose primary responsibility is the preparation of the budget. (Refer to 5(b) and 5(c) for responses.)

Educational Level _____

Education/training _____

6. For each possible specific piece of budgeting information, you are asked to respond to two questions:

- To what degree is this information used by you and your staff in the preparation and review of the library's budget?
- To what degree is this information contained in the budget document submitted to the Governing Body? (Board of Supervisors/council)

For example: if for information item #1, requests are categorized according to line item-object of expenditure for all services in the preparation of the budget and for 75% of services in the budget submitted to the Governing Body, you would indicate this as follows:

| | |
|--|--------------------------------|
| Used in internal library budget preparation | Submitted to Governing Body |
|--|--------------------------------|

| | |
|------------|-----------|
| _____ 100% | _____ 75% |
|------------|-----------|

(If the information item is not used, please indicate by placing 0% in the appropriate space.)

- | | | |
|-------|---|-------|
| _____ | 1. Expenditures requests categorized according to line item-object of expenditure. | _____ |
| _____ | 2. Increases above spending in the previous year demarcated and explained in the budget. | _____ |
| _____ | 3. Comparison of previous budget requests with actual expenditures of previous year included in the budget document. | _____ |
| _____ | 4. Expenditures requests categorized according to activities-work to be done. | _____ |
| _____ | 5. A detailed description of the work to be done. | _____ |
| _____ | 6. Projections made of work to be accomplished by the requested funds (workload). | _____ |
| _____ | 7. Periodic management performance status reports linked to budgetary information and presented to elected and appointed officials. | _____ |
| _____ | 8. Per unit cost estimates. | _____ |
| _____ | 9. Work standards. (i.e., time required per unit of work) | _____ |
| _____ | 10. Comparative statistics from other public libraries on workload, product costs and per unit costs. | _____ |
| _____ | 11. Comparative statistics from previous budget year on workload, product costs and per unit costs. | _____ |
| _____ | 12. Other management related information. (Identify) | _____ |
| _____ | 13. Expenditures requests arranged to program-goals to be achieved. | _____ |
| _____ | 14. A description of strategic goals. (see definition below) | _____ |
| _____ | 15. A description of strategic objectives. (see definition below) | _____ |

Strategic goals and objectives refer to the intended impact of public programs/activities on the clientele or community. They define the expected change in conditions or behavior caused by the consequences of the government action. The major difference between goals and objectives is that goals are the broadest aims of government, relatively timeless and normally not quantifiable; objectives are more specific.

An example of a goal might be: To provide library services to citizens that are timely, helpful and readily available. An example of an objective might be: By the end of the next fiscal year, 85% of all interlibrary loan requests will be met within 5 working days.

- | | | |
|-------|--|-------|
| _____ | 17. Public hearings that allow the airing of community concerns and priorities before the budget is submitted to the governing body. | _____ |
| _____ | 18. Governing body issues a statement of policy/priorities before the budget is developed. | _____ |
| _____ | 19. Results of any citizen survey stating their priorities for governmental. | _____ |
| _____ | 20. Statement of priorities contained in the budget. | _____ |
| _____ | 21. Results of any citizen survey indicating their degree of satisfaction with the services provided by your library. | _____ |
| _____ | 22. An adequate and comprehensive set of measures of effectiveness. | _____ |
| _____ | 23. Description of alternatives that were considered. | _____ |
| _____ | 24. Estimates of benefits of requested expenditures. | _____ |
| _____ | 25. Cost/benefit studies undertaken. | _____ |

is sometimes left making policy decisions without really fully knowing what the consequences will be.

The Budget as a Communication Mechanism

Others have suggested that a budget can serve as a communication mechanism. As a means of communication, the budget can convey to the legislature and the public exact information about the cost of every operation of the library. According to Charles Beard, it can inform the legislature and the public as to the types of resources that will be purchased, the types of activities that will be carried out, and the objectives that are to be accomplished with the public money. Within the library, the budget can serve as a communication mechanism as well. It informs the staff of the library as to the priorities that have been formulated by the library director and the legislative body. The budget as a network of communication continuously generates information which can be made available to those interested parties as well as feedback to the participants in the budgetary process.

The Budget as an Instrument of Democracy

Historically a major purpose of budgeting is as an instrument of democracy. Since the days of the Magna Carta, the budget has been used to bend government to the public will and open government to public scrutiny. Burkhead believed that the budget evolved and developed as popular control grew over the sovereign and people became more representative in government. One renowned scholar of the budget development process, A. E. Buck also linked the origins of the budget to the development of representative government and the budget continues to present day to be a control over public funds.

Budgetary Information

How does the budget contribute to these purposes? A budget contributes to a specific budgetary purpose by the types of information that it contains and the format in which that information is presented.

The types of information needed to achieve these purposes is discussed below. Of these purposes, those of Priorities, Planning, Management and Financial Control are probably the most important for contemporary library directors.

Financial Control: Public officials de-

serve to know how much these expenditures will cost. Perhaps most importantly, the officials should be permitted to determine what will be purchased with the public funds.

Information that would facilitate the budget meeting these purposes might include: (1) expenditures requests categorized according to line-item/object of expenditures, (2) increases above spending in the previous year may be demarcated and explained in the budget and (3) comparisons of previous budget requests with actual expenditures of previous year.

Management Efficiency: Secondly, the officials deserve to know what work is to be done when and with what efficiency — information such as the type and volume of work to be accomplished during the budget year and what and the cost per unit. (4) Comparison of these costs with other similar communities or with professional standards. The management efficiency could be met by including expenditures requests categorized according to activities/work to be done. (5) A detailed description of the work to be done highlights exactly what will be done. In addition, the following information could assist with budgetary purposes: (6) projections made of work to be accomplished by the requested funds (workload), (7) periodic management performance status reports linked to the budgetary information and presented to elected and appointed officials, and (8) per unit cost estimates (i.e., processing costs per book). (9) Work standards (or time required per unit of work) included in the budget will provide an even closer examination of what will be done and at what cost. (10) Comparative statistics from other jurisdictions on workload, product costs, and per unit costs, as well as (11) comparative statistics from previous budget year on workload, project costs and per unit costs also facilitate a closer understanding of the budget.

Planning: The officials need to establish the (12) goals being pursued by the library and the intended impact (strategic objectives) that the proposed expenditures will have on the lives of citizens. They need to know what alternatives were considered and upon what criteria were the decisions made. The type of information that is needed to meet the planning needs of public officials would include (13) requested expenditures arranged according to program goals to be achieved, (14) a descrip-

Part I continued ...

- _____ 26. Existence of identifiable "decision units." _____
- _____ 27. Existence of decision packages which are able to be evaluated and ranked. _____
- _____ 28. Budget requests are segregated into different levels of funding or service levels. _____
- _____ 29. Identification of different levels of outputs anticipated for different levels of funding. _____
- _____ 30. Identification of different levels of effectiveness anticipated for different levels of funding. _____
- _____ 31. Recommended expenditures ranked according to established priorities. _____
- _____ 32. Other policy/planning information? (Identify) _____

.....

How satisfied are you with the information used in the preparation of your budget? (Please check appropriate space) Very Satisfied Very Dissatisfied

5 _____ 4 _____ 3 _____ 2 _____ 1 _____

How satisfied are you with the types of information contained in the budget documents submitted to your governing body? (Please check appropriate space) 5 _____ 4 _____ 3 _____ 2 _____ 1 _____

By placing the appropriate identifying number from above (Section #6), please indicate the types of information you would like to, but do not now,

Include in your budget preparation _____
 Submit to your governing body _____

Please estimate the amount of time (in hours) that is spent at each of the following three stages of budget preparation:

Departmental preparation _____
 Central staff review and modification _____
 Review by governing body _____

7. Purposes of Budget

It has been suggested by some writers that a budget can serve many purposes. These include:

A. The Budget as a Management Tool.

As a management tool, a properly designed budget can help administrators in determining the efficiency of their agencies. A budget certainly provides a manager with a description of the resources that are available to carry out their responsibilities. A well-designed budget system can increase the responsibility and accountability of management.

B. The Budget as a Communication Mechanism.

As a form of communication, the budget can convey to the legislature and the public exact information about the cost of every operation of the library; it can inform the legislature and the public as to types of resources that will be purchased, the types of activities that will be carried out, and the objectives that are to be accomplished with public money. Within the organization the budget can serve as a communication mechanism as well. It informs the staff of the organization about the priorities that have been formulated by a director, chief executive and the legislative body.

C. The Budget as a Control Mechanism.

There is no question that the budget can be viewed as a control mechanism. A budget can be designed that will provide strong control over departmental expenditures and considerably reduce the administrative discretion of department heads. As a control mechanism the budget can be viewed as a weapon to instill responsibility. It becomes a means to define and locate responsibility.

D. The Budget as a Plan.

As a plan, the budget can show what the goals and objectives of the library are, and indicate the possible approaches to achieving them.

E. The Budget as a Major Policy-Making Process.

Whether intended or not, the budget is a major policymaking process. How the library decides to spend its scarce resources is one of the most important policy decisions that an entity will make. A budget can show, not only what possible alternatives can be funded, but also the level of services provided for each possible level of funding.

Of the possible purposes listed, which three do you feel are important to your library? Put a letter in the appropriate space.

_____ Most important.
 _____ Second most important.
 _____ Third most important.

Part II

PRODUCTIVITY IMPROVEMENT STRATEGIES IN PUBLIC LIBRARIES

"Productivity" can be defined in many different ways. For the purpose of this public library survey, please use the following definition:

Productivity strategies are designed specifically to:

- _____ increase service levels while holding costs constant;
- _____ decrease costs for current service performance levels; or
- _____ increase performance while simultaneously decreasing costs.

1. How interested are you in productivity issues and programs? (Circle number)

1. Very interested
2. Somewhat interested
3. Not very interested

2. Productivity strategies can take many forms. Please check general areas of productivity you are interested in and if your library currently utilizes these strategies.

| CURRENTLY UTILIZING | INTERESTED | | |
|--|------------|----------|-------|
| | VERY | SOMEWHAT | NOT |
| _____ a. monetary and non-monetary incentives/ employee motivation | _____ | _____ | _____ |
| _____ b. alternate work schedules (e.g. flextime) | _____ | _____ | _____ |
| _____ c. work measurement and standards | _____ | _____ | _____ |
| _____ d. use of volunteers | _____ | _____ | _____ |
| _____ e. training of librarians/ managers in productivity concepts (e.g. management by objectives) | _____ | _____ | _____ |
| _____ f. use of technological innovations | _____ | _____ | _____ |
| _____ g. performance evaluation of programs | _____ | _____ | _____ |
| _____ h. performance evaluation of employees | _____ | _____ | _____ |
| _____ i. civil service reform | _____ | _____ | _____ |
| _____ j. labor-management relations | _____ | _____ | _____ |
| _____ k. use of quality circles | _____ | _____ | _____ |
| _____ l. improved fiscal management | _____ | _____ | _____ |
| _____ m. job enlargement, job redesign, job rotation | _____ | _____ | _____ |
| _____ n. consolidated central purchasing operations | _____ | _____ | _____ |
| _____ o. reorganization of personnel operations | _____ | _____ | _____ |
| _____ p. use of franchises for services | _____ | _____ | _____ |
| _____ q. workload planning | _____ | _____ | _____ |
| _____ r. multijurisdictional service cooperation/ coordination | _____ | _____ | _____ |
| _____ s. citizen and user surveys | _____ | _____ | _____ |
| _____ t. management of time | _____ | _____ | _____ |
| _____ u. management of meetings | _____ | _____ | _____ |
| _____ v. delegation of authority/ responsibility | _____ | _____ | _____ |
| _____ w. continuous updating of procedural manuals | _____ | _____ | _____ |
| _____ x. contracting out of services | _____ | _____ | _____ |
| _____ y. joint public/private ventures/programs | _____ | _____ | _____ |
| _____ z. encourage private organization to take over an activity | _____ | _____ | _____ |
| _____ aa. user fees and charges to adjust demands | _____ | _____ | _____ |
| _____ bb. obtaining temporary help from private firms | _____ | _____ | _____ |
| _____ cc. workplace layout analysis | _____ | _____ | _____ |
| _____ dd. reduction of service levels | _____ | _____ | _____ |
| _____ ee. use of vouchers for services | _____ | _____ | _____ |
| _____ ff. work measurement | _____ | _____ | _____ |
| _____ gg. work procedures design | _____ | _____ | _____ |
| _____ hh. flow process charting | _____ | _____ | _____ |
| _____ ii. analysis of customer demand | _____ | _____ | _____ |
| _____ jj. Other | _____ | _____ | _____ |

Of the possible strategies listed in Question 2, which three do you feel would be most useful to your library? That is, which of the productivity strategies is the most important to your library; which strategy is the 2nd most important and which strategy is the 3rd most important to your library?

- Most important _____
 2nd Most important _____
 3rd Most important _____

tion of strategic goals and (15) a description of strategic objectives. In order to plan, (17) public hearings that allow the airing of community concerns and priorities before the budget is submitted to the governing body may be considered. The government body may issue a statement of policy/priorities before the budget is developed and (19) results of any citizen survey stating their priorities for government services. These citizen surveys may also indicate the degree of satisfaction with the services provided. A statement (20) of priorities contained in the budget highlights what is viewed as the most important or least important. A (23) description of alternatives that were considered, enumerating why they were rejected is beneficial. In addition, (24) estimates of benefits of requested expenditures and (25) cost/benefit studies undertaken will aid in the decision making process.

Priorities: Officials need to be reminded of the community and library priorities and have information that will allow them to make a choice between different library goals and objectives. They also need information that will allow them to decide between different levels of funding for different levels of service in order to facilitate the allocation of scarce resources to expenditures in order of the priority of those expenditures. The following information would be needed in the budget: (27) existence of decision packages which are able to be evaluated and ranked, (28) budget requests that are segregated into different levels of funding or service levels, (29) identification of different levels of output anticipated for different levels of funding, (30) identification of different levels of effectiveness anticipated for different levels of funding, and (31) recommended expenditures ranked according to established priorities.

It is interesting to note that different budgetary information leads to purposes of management and are served by different budget types. There are four acceptable budget types: Line Item Budget, Performance Budget, Zero-Based Budget, and Program/PPBS Budget. Each of these budget types contain a different cluster of information. The Line-Item Budget emphasizes control through a detailed accounting system. Each item is presented in a detailed format listing how many and how much resources will be utilized. The Performance Budget emphasizes efficiency by evaluating performance

of activities in work-cost measurements. This budget requires a listing of each activity for which the funds will be used, the costs for each activity, and finally a means of measuring the activity or work that has occurred. The Zero-based Budget is concerned more with evaluating activities and making decisions. This budget allows for choices by examining the output (product) against the input (costs). It allows for several different levels of output associate with each level of funding, thus allowing for decisions to be made. The Program/PPBS Budget focuses on the decision process. Benefit and measures of effectiveness are important in this budget. It lists the goals to be achieved and allows for choices in reaching these goals. An excellent description of the potential for PPBS can be found in Savoie's "Reforming the Expenditure Budget Process."

The Survey

On June 25, 1991, a survey was conducted to examine the budgeting information in public libraries in the Commonwealth of Virginia. The survey was precipitated by the economic problems experienced by public libraries. At professional library meetings, budgeting problems were a common theme. This concern was focused on the budget process in an effort to streamline costs. If the budget could be used effectively, it would be a powerful tool to use in times of monetary crisis.

The survey focused on the use of the budget in attempting to meet the budget problems facing public libraries. In light of the different types of purposes that a budget was found to serve in the literature, we, as researchers, were interested in determining what the purposes of public libraries budgets are in Virginia, what information is deemed important to public officials, and what types of budgets library practitioners currently are utilizing.

Methodology

The list of 83 public libraries/systems was obtained from the American Library Association's *Directory of Libraries*. From the initial mailing, twenty-six responses were received. A second mailing resulted in four responses for a total of thirty responses to the survey.

The initial part of the survey asked specific information: name of public library system, jurisdictions served, number of library patrons, name of person responding,

title, length of time in current position, number of branches, number of volumes, number of employees, and size of library budget for FY 1990 and 1991.

The "Characteristics of the Budget and Budgetary Procedures" part of the survey included 53 requested responses.

Findings

Twenty-eight percent of the public libraries responded to the survey. Although the response rate was low, it should be noted that both urban and rural libraries are represented in the responses as well as small and large systems. Twenty-six library directors and three assistant directors completed the survey. Of the respondents, seventeen had five or less years of experience in the library system, four had between six and ten years while five had over ten years.

Two libraries had budgets under \$100,000; fifteen libraries had budgets between \$100,000 and \$500,000, while eleven libraries had budgets of over \$500,000. The lowest was \$64,000, while the highest was \$5,300,000.

Total employees ranged from two to one hundred twenty-six employees. Ten libraries had less than ten employees; ten libraries had between ten and thirty employees, and ten libraries had over thirty employees.

The total number of volumes ranged from 20,000 to 1,500,000 volumes. Fifteen libraries had less than 100,000 volumes; fifteen had over 100,000 volumes.

The total number of patrons ranged from 2,500 to 88,000. Seven had no branch library; twelve had between one and three branches, and eight had four to eight branches.

Results

Public library directors were asked if over the past five years, there had been attempts to change either the format or the informational content of the budget document. 57 percent responded yes; 43 percent responded no. The same percentage responded that they had required different information or procedures in the development of the library budget. Over half of the directors therefore, were seeking other ways to examine their budgets in order to continue a high level of service.

However, the budgetary practices still utilized in libraries are the line item budget (27 responses), with two developing their budgets as a performance based budget and

one as a program based budget.

The budget preparation predominately is coordinated directly by the library director and the immediate assistants (heads of departments). The average number of employees involved in the budget preparation, whether in formulating, reviewing, or monitoring the budget, was 2.3 employees. The core of this section asked if 32 specific pieces of budget information were used in the internal library budget preparation as well as the budget submitted to the external body. Only three specific pieces of budget information were used in both internal preparation and the document submitted to the governing body. They were:

1. Expenditures requests categorized according to line item/object of expenditure.
2. Increases above spending in the previous year demarcated and explained in the budget.
3. Comparison of previous budget requests with actual expenditures of previous year included in the budget document.

It is noted that all 32 pieces of budget information were used in at least one of the budgets; that is, they were used in internal preparation or in submitting to governing body.

In the table below are the four most used budget information items utilized in internal and external budgets. For example, comparative statistics were used by eighteen libraries in preparing their internal budget while ten libraries used comparative statistics in external budget preparation.

Four Most-Used Budget Information Items by Libraries in Internal and External Budgets

| BUDGET INFORMATION | INTERNAL: number of libraries | EXTERNAL: number of libraries |
|--|-------------------------------------|-------------------------------------|
| (1) Comparative Statistics from other public libraries on workload | 18 | 10 |
| (2) Comparative Statistics from previous budget year on workload | 16 | 10 |
| (3) Use of strategic goals and strategic objectives | 15 | 13 |
| (4) Use of estimates of benefits | 11 | 9 |

As the chart illustrates, there were differences in what was important for internal preparation as compared to the importance to the governing body. For example, "a statement of priorities" was contained in internal preparation while they were not included in the governing body budget. Results of citizen survey indicating their degree of satisfaction with the services provided by the library were important in planning the internal budget but not in preparing the budget for the governing body.

When asked what should be included in both internal and governing body budgets (that was not included), the following were most frequently listed for internal preparation:

1. Projections made of work to be accomplished by the requested funds
2. Periodic management performance status reports linked to budgetary information and presented to elected and appointed officials
3. Work standards (time required per unit of work)
4. Cost/benefit studies undertaken

For submission to the governing body, the following were the most frequently listed:

1. Projections made of work to be accomplished by the requested funds (workload)
2. Results of any citizen survey stating their priorities for governmental service

When asked about the overall satisfaction of the information used in the preparation of the library budget, 3 percent were very dissatisfied while 27 percent were very satisfied. The remainder were satisfied.

Only 10 percent were very satisfied with the types of information contained in the budget documents submitted to the governing body.

As stated previously, the budget can serve many purposes and part of this survey examined what purposes were considered important by their directors. Directors were asked for a ranking of the top three purposes of the budget. Thirty percent responded that the most important purpose of the budget was as a management tool; 27 percent used the budget as a plan; while 20 percent thought that the most important purpose of the budget was as a communication mechanism.

When the same purposes were applied to the elected governing body to whom the budget would be submitted, 53 percent

responded that the governing body would view the purpose as a financial control mechanism and 33 percent as a management tool.

Summary

Library directors are not totally satisfied with their internal or external budget process. Within the past five years, they have been examining other pieces of budget information to include in both budget processes. The survey was used as an instrument to learn about the types of budgets and budgetary practices being used in public libraries in the Commonwealth of Virginia. The literature points out that the budget is a powerful instrument for any organization at any level. The researchers wanted to know if public librarians were using their budgets to their maximum utility.

The results indicated that library directors are concerned about dwindling resources and are seeking ways to use their budgets to maintain a high level of service for their library patrons. The budget when used by the library manager can assist in determining the efficiency of the delivery of services and its materials. Inefficiency results in a waste of scarce funds and may result in examining alternative sources of materials or delivery of services.

The budget is therefore, an important tool, especially for a public sector agency. In order to be representative of the public at large that it serves, the budget can be used to be accountable for the public funds it uses. The budget can be used to require efficiency, responsibility and accountability within the library resulting in the use of public funds in the way they were meant to be used ... for the benefit of the public giving them the desired materials and services by using the least amount of funding.

The concerned library administrator can use the methodology employed in this article to access the utility of the information in their budgets. Better budgeting information can lead to improved library services.

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