

10% reduction in operating cost 10% increase in revenue

In a financial climate of uncertainty, where shrinking budgets are expected, it's tempting to want to play "fair" and apply budget cuts across all departments covered in a library's operating budget. Although seemingly beneficial on the surface, this approach to budget reductions can "have a serious impact on vital services provided to residents" (Borget, 2010, p. 60). As director of a local Public Library I would look to reduce the operating budget by 20% following the example of the City of Provo, Utah when they reconsidered their budget back in 2010 (Borget, 2010). The recently elected mayor of Provo "decided to take a 'surgical approach'... by scrutinizing all levels and functions of government" (Borget, 2010, p. 60). I would follow a similar approach by evaluating all parts of the library and tighten budgets where there is excess or a particular service's cost outweighs the value received by the public. To help facilitate this evaluation I would seek input from library staff as well as from the local community to help determine the most valued services the library provides and focus the budget on covering costs for those most important services. Less valued services would be potential targets for reducing operating costs by 10%.

With a goal of cutting 10% of the operating budget I would look to increase the library's revenue by 10% to arrive at the City Council's imposed budget cut of 20%. In today's modern society libraries need to be dynamic to better respond to the changing economic climate (Borget, 2010, p. 61). Part of being more responsive is to creatively identify new sources of revenue for the library. I would improve existing or create new "revenue centers" (Evans and Ward, 2007, p. 409-410) that focus on bringing to the library more income to help increase library revenue by 10%. These revenue centers would work with the library's friends group to help generate money through "the sale of duplicate or otherwise unwanted gifts/donations" (Evans and Ward, 2010, p. 444-445). Holding used book sales to sell off duplicate or unneeded library materials as well as establishing a library membership service that allows donors to contribute funds on a subscription basis would be two ways to generate needed income for the library. I would also look into services that are valuable to the public that the library could charge for such as renting out conference rooms within the library for public groups or organizations. Commonly established income sources like fines for overdue or damaged materials would also be utilized. The key to helping generate additional revenue will be to develop relationships of trust between the library and its community (Evans and Ward, 2007, p. 450). Working together with library staff and the local community will help reduce the library's operating budget by 20% without seriously impacting the essential services the library provides.

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## References

- Borget, J. (2010, August). Provo brings employees and citizens together to identify budget cuts. *Government Finance Review*, 4, 59-61. Retrieved from [http://www.gfoa.org/index.php?option=com\\_content&task=view&id=72&Itemid=92](http://www.gfoa.org/index.php?option=com_content&task=view&id=72&Itemid=92)
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