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FUNDING SOURCES

Library funds are accumulated from a mixture of local, state, federal, and other sources. According to the National Center for Education Statistics (1997), 77.6% of public library income is acquired from local funds, 12.1% from state funds, and 0.9% from federal funds.

The remaining funds (over 9%) come from other sources, including user fees, special events, and private fundraising efforts involving foundations, corporations, individual philanthropists, and "Friends of the Library" groups. A closer look at each source will target current issues and anticipated trends in library funding.

Local Taxes: Public libraries today acquire the bulk of their funding from local property taxes. As a result, the local economy plays a major role in their budgetary success or failure. Library budgets began suffering major setbacks during the 1970s, but rebounded during the 1980s and early 1990s. Currently, however, communities often fail to pass local tax levies (Burlingame, 1995).

State Funds: State funding commonly addresses specific efforts such as long range planning, resource sharing, and state-wide cooperative information systems. It is particularly useful when regional solutions are needed for multi-jurisdictional activities. Libraries may also qualify for state funds in support of other programs, such as those in the arts (Prentice, 1996).

Federal Funds: In 1956, Congress passed the Library Services Act, providing funds for the provision of library services to unserved areas, primarily rural communities. A 1964 amendment established the Library Services and Construction Act (LSCA) to extend monetary aid to all areas with inadequate library services, including urban areas. In 1996, the Library Services and Technology Act (LSTA) replaced the expiring LSCA. It focused federal funding efforts on information access through technology and information empowerment through special services, providing federal funds to state library agencies according to population. At that time, federal administration of the program was shifted from the Department of Education to the Institute of Museum and Library Services (Reitz, 2001).

Other Sources: It has become increasingly necessary for libraries to seek alternative sources of revenue to support activities that were once thought to be the responsibility of tax dollars. Causes of this trend include the rapid growth of information, increased costs for services and materials, and demands for additional services. Many librarians today feel pressed to spend more time and energy making contacts and writing grant proposals in order to raise needed funds (Burlingame, 1995).

In addition, user fees have become more common as patrons demand such services as online database searches and other expensive means of access to information (Prentice, 1996). Special events such as book sales also play a small role in filling funding gaps.

TECHNOLOGY FUNDING

Although funding woes are not unique to demands for technology, libraries of all types share the need to finance the escalating costs of technology, particularly those associated with the Internet. These costs include access, hardware, upgrades/maintenance, staffing, software, and web design/management. Recent large-scale technology funding efforts include the federal E-rate program and the private Gates Library Foundation. The E-rate program, which provides discounted telecommunication rates to libraries and schools, has helped offset access costs for

many libraries. The Gates Library Foundation is giving \$400 million in cash, software, and training to wire every public library in the nation to the Internet by the year 2002 (St. Lifer, 1999).

However, if libraries are to meet the increasing demands of a technologically savvy clientele while maintaining quality collections, they must actively seek alternative funding for high-tech services that are now considered commonplace by the populations they serve (Kemmis, 1998).

PRIVATE FUNDRAISING & GRANTSMANSHIP

Private grant makers usually avoid donating money for ongoing operating expenses (Ezzell, 1995). Instead, "...the new and innovative, the special and extra service, and that which makes for excellence comprise the most appropriate purposes of soliciting private support" (Burlingame, 1995, p. vii). Once a suitable project has been proposed, it is time to proceed with the nuts and bolts of the fundraising effort.

Sumerford (1995) suggests twelve steps for successfully acquiring funds from private sources:

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- 1. State the need for funding from the community's perspective
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- 2. Investigate the community's current fundraising climate
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- 3. Establish a fundraising advisory committee
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- 4. Develop a comprehensive, community-based strategy based on diverse fundraising methods
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- 5. Arrange for all money to go into a tax-deductible fund
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- 6. Frame the request in a project format, matching outcomes with the potential donor's priorities

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- 7. Research foundations to determine which align with the project's mission
-
- 8. Research the giving patterns of local corporations
-
- 9. Ask individuals for donations and pledges, personally and via mailings
-
- 10. Organize special events and generate press releases
-
- 11. Collaborate with other organizations
-
- 12. Keep in touch with donors, including those who declined the request

The proposal itself should also contain a detailed description of the project, including qualifications of the organization requesting funds, a timeline, budget, and information on staffing and program evaluation. Finally, the proposal should be carefully edited for clarity and completeness (Ezzell, 1995).

In closing, effective relationships and proper motivation are critical to any successful fundraising effort. William R. Gordon sets forth the following five points that he believes critical to receiving financial and/or community support: 1) understand the time commitment, 2) keep promises, 3) make customer service a top priority, 4) be sure the staff and the library board commit to the effort, and 5) always be prepared for community members who oppose the effort or believe they have a better plan of approach (Harrison, 1997).

Above all, it is important to remember that "donors want to support projects that will empower citizens and result in long-term improvements in the community" (Sumerford, 1995). Fundraising should be approached from a problem-solving standpoint, giving grant makers the opportunity to support meaningful programs with the potential to change peoples' lives.

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