

California scenarios: the library board and the budget process

Depending on the type and size of the public library, its revenue streams, and local laws and practices, the board's involvement in the budget process varies from simple to complex. Here are some scenarios:

Scenario 1: City library (advisory board). The city budgets on a two-year cycle but each year the board of trustees reviews the library's budget prior to its adoption by the city council. The budget is divided into program areas such as technical services, adult services, or administration. Each program area has defined objectives and associated tasks. The budget is broken down to indicate the costs for each task. After the budget has been distributed to the city council and to city departments, a budget workshop is presented, open to staff and the public, in which the city manager reviews the critical factors that were considered as the budget was prepared. The library director, after attending the workshop, highlights the issues related to the library's current or future funding. This information is put into a "budget notebook" for the library board's review.

At the next board meeting the director reviews the budget notebook information and answers questions for the board. It is the director's responsibility to ensure the budget is adequate to meet the library's objectives. The board's role is to focus on the services offered by the library and make recommendations for changes to the city council if they feel the planned services do not meet community needs.

Scenario 2: Independent special district library (governing board). A special district library begins by determining what funds are available for budgeting, by estimating its revenue for the following fiscal year and the amount of funding (if any) which will be carried over from the current year (a special district library's carryover funds remain available for its use, as they do not revert to a county or city general fund). The library director then estimates the cost of maintaining the current level of services and that of additional services and prepares a summary of the budget information for the library board. The board reviews the budget and approves or requests changes. The budget is then finalized. While there may still be a requirement for the budget to be submitted to the county board of supervisors or county manager, that body's review is typically minimal, where the library is a special district with its own governance and defined revenue.

Scenario 3: Joint powers agreement (JPA) library (governing board). The budget is approved and submitted by a governing board, established under a JPA, among the jurisdictions, possibly various cities and the county served, to operate the public library. In some JPAs the governing board has full authority in all matters of library governance, but its annual budget is subject to approval by the county board of supervisors. In others, the full authority rests with the JPA Board, which could include all members of the county board of supervisors as well as other elected officials.

The steps in the budgeting process (assuming a July-June fiscal year) might include:

- Appointing a budget-audit committee to work closely with the library director and appropriate staff. The role of the budget-audit committee is to review and critique the

work done by staff, including the current year's revenues, expenditures, summary, and projections. Staff may present budget assumptions for the next fiscal year, covering possible changes in facilities, services, and staffing.

- The committee raises questions and makes suggestions to guide the library director in setting specific budget allocations.
- The budget-audit committee will review the library's preliminary budget and the full board will adopt at its regular May meeting.
- The entire board stays informed, through the library director, of the ongoing issues and reports on any significant changes that arise in revenue and expenditure projections.

The timeline for a JPA annual budget cycle might look like this:

May -- Approve the preliminary budget to begin the fiscal year on July 1

September -- Approve the true-up of revenues and budget corrections, note grants received, approve new positions, and codify any needed changes

February – Approve any mid-year changes to ensure that the budget is on track

Scenario 4: City library (governing board). The library board delegates the development and administration of the budget to the city librarian but determines the budget priorities for the next fiscal year. The city librarian and staff prepare the draft budget with direction from the library board, with fiscal guidelines provided by the city council and city manager. Capital and major maintenance projects have discrete timelines and preparation guidelines. The entire draft budget goes to the library board for change or approval before it is sent on to the city. Once the board approves the budget, it is sent to the city manager or finance department for approval. Any city changes to the budget must go to the library board for approval, and if the library board does not agree, they must file a variance and challenge the change at the city's budget hearings.