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ADVANTAGES AND DISADVANTAGES OF PUBLIC FUNDING

Public funding, in its simplest terms, is funding that comes from the public treasury. It's the taxpayers' money, and the funding of health, human service, environmental, community development, and other public service programs is one of the ways it's spent for the common good. For example, OERI, the Office of Educational Research and Improvement, an agency of the U.S. Department of Education, offers grants for research on specific educational topics.

Although most of its grants go to state agencies or universities, it occasionally funds community-based organizations. An organization that served the homeless located in one western Massachusetts County nonetheless regularly received money from another, because it maintained shelters in that county as well.

Public funding has its advantages and disadvantages. Speaking about advantages of public funding it should be mentioned that public funding often represents the largest amount of money available to fund organizations or initiatives. For instance, a fairly populous state has a budget of tens of billions of dollars. The federal government budget is often in the trillions.

Thus, even a very small portion of the budget can represent a large amount of money for programs - in the tens, or even hundreds of millions of dollars. That can very nicely cover the few - or even more than a few - thousands your program needs.

Public funding is often more reliable and more long-term than private funding. Once public funding for a particular issue becomes a recognized item in the budget, it is often refunded without much question, year after year.

Public funding is often appropriated specifically for what your organization does. The federal government, most states, and many local governments offer money for such services as substance abuse treatment, youth services, community health education, adult literacy, mental health services, etc.

But there are some disadvantages of public funding. They are the following:

- Public funding, because of its restrictions, may not allow you to do what you want to do, or may conflict with your mission and philosophy.
- Some granting agencies may have their own ideas about how services should be delivered, for instance, and may have little tolerance for an unorthodox, or just a different, approach.
- Public funding payments may be slow in coming, either because the funding agencies are inefficient or unresponsive, or because the government isn't getting money to them.

Public funding - money that comes from public revenues at the federal, state, and local levels - can be a secure source of funding for your organization. In order to take advantage of it, however, it's important to understand its drawbacks as well as its positive side.

On the one hand, it's probably the largest potential funding source available, can be a much longer-term prospect than other funding sources, and may be earmarked for exactly what you do. On the other hand, it can come with restrictions, procedures, and bureaucratic hassles

that challenge your mission and make your life complicated and difficult. One has to weigh the positives and negatives, and decide whether public funding is right for your organization.