

**MADISON PUBLIC LIBRARY**  
**Supplemental Notes to the 2021 Operating Budget Request**  
**As of June 25, 2020**

<u>Key Indicators</u>			
\$ 19,179,747.00	89%	Total Levy Funding	
\$ 2,389,822.00	11%	Total Other Sources Funding	
\$ 21,569,569.00	100%	Total Funding Sources	
\$ 13,742,377.00	64%	Total Wages & Benefits Expense	
\$ 761,249.00	4%	Total Supplies Expense	
\$ 3,889,637.00	18%	Total Purchased Services Expense	
\$ 3,176,306.00	15%	Total Debt/Inter-Dept Charges	
\$ 21,569,569.00	100%	Total Expenses	

### Summary

The instructions received from Central Budget continues the 2020 process of budget requests to be submitted at the agency service level. Madison Public Library has five services:

- Public Services – Service 501
- Community Engagement – Service 502
- Collection Resources and Access – Service 503
- Facilities – Service 504
- Administration and Marketing – Service 505

The reports you have for review are reflective of this continued process. In addition to the budget request for the Library in total, you also have 5 reports showing the budget request by Library Service.

In the past we were allowed to submit supplemental requests, calling out additional funds needed and the usage of the additional funds. In these days of COVID and the City's 2020 and 2021 budget shortfall scenarios, we no longer have the option of a supplemental request. The directives for the 2021 budget submissions include:

- Base Scenario – submit a balanced budget and explain any changes you are proposing by service within your agency target.
- A 5% decrease scenario of the Library target amount, decreases which must be sustainable in future years. Further, different than in years past, the Mayor has made it clear that most, if not all, Agency decrease scenarios will be enforced.

The 2021 cost to continue budget given to Library is based upon the 2020 budget figures. The 2021 Operating Budget includes a new process introduced by Central Budget. Our Budget Analyst met with Library staff to review any known cost to continue increases to build into the cost to continue target, such as known contract increases. In the past, Library had to present a balanced budget without the Agency identified cost increases incorporated into the budget target.

During the process of reviewing and updating the projection we received from Central Budget we were conservative in our revenue estimates, and assumed no fines revenue. We reduced many of our expense requests to the bare minimum needed for operations. The largest of the reductions were for programming supplies and services, totaling \$108,000. After the reductions we made, our request was still \$300,000 more than the target assigned to Library. After careful review of the options we were limited to staff reductions of \$284,000 by way of eliminating several vacant positions. The remaining \$16,000 included elimination of

collection services and increased asks to the Foundation.

Included in the board packet are two types of 2021 Operating Budget reports:

- Budget Request reports, which were used by Library staff to map out and plan the budget request to ensure we are presenting a balanced budget in total. There are six Budget Request reports, a Library Total report and one report for each Library Service.
- A 5% decrease report with three scenarios to reach our target cut of \$958,987.

#### How to read the Budget Request reports

**2021 Central Budget Totals column:** Central Budget has pre-loaded cost to continue target amounts in the 2021 Operating Budget Projection. These amounts are based on current year budget and adjusted per the new cost to continue process. A copy of Mayor's Budget Message letter and the Library Target letter are included with your packet materials.

**2021 Total Library Request column:** Library's total budget request, combining levy and donation funding. This column total must be equal to, or less than, the target total indicated in the Central Budget column.

**2021 Levy (non carry forward) Funding Request column:** This is an informational column detailing Library's budget request segregating levy funding.

**2021 Private (carry forward) Funding Request column:** This is an informational column detailing Library's budget request segregating anticipated private funding. The total of this column should be \$0, indicating we budgeted appropriate expenses for all of the donations.

**Variance:** Represents the variance between 2021 Central Budget Projection and 2021 Total Library Request. This should be \$19,179,747, indicating we met the target budget presented by Central Budget. This amount represents the Levy funding for 2021.

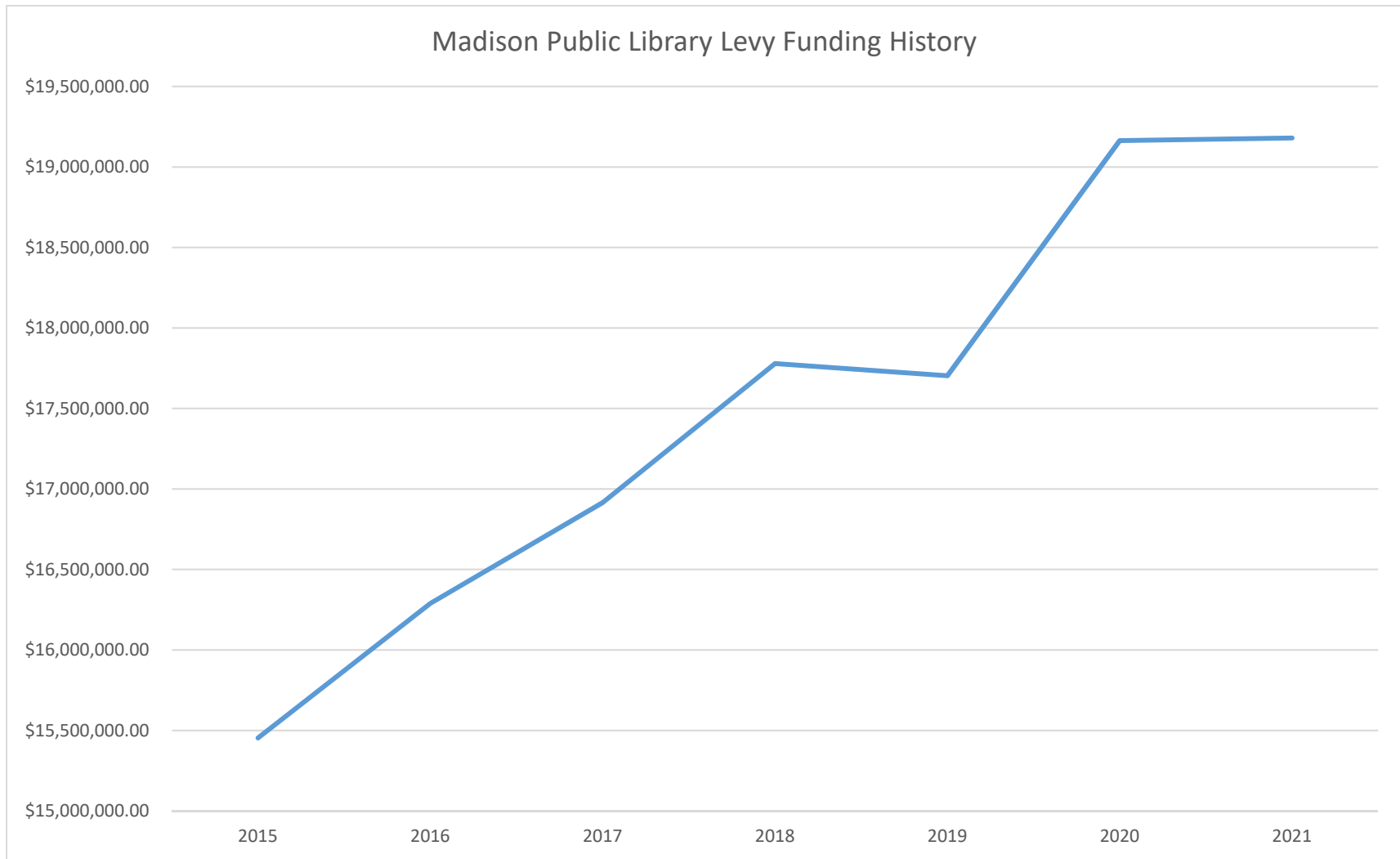
**NOTE:** The payroll wages and benefits expenses are pre-loaded by Central Budget using a payroll snapshot taken in March 2020. In order to affect changes to the Library Services where these expenses are allocated we create and submit payroll allocation change forms. We did so in 2019, realigning payroll expenses to the most appropriate Library Services. Many of these changes were not incorporated in the payroll snapshot for 2021. We have submitted payroll allocation change forms to be processed, as of June 25 the process has not been completed. The wages and benefits budget presented to you in the Library Total report is accurate, but they will shift between Library Services by the time the budget proposals are submitted to the City. For example: the Accountant position is currently classified in Library Public Services; an allocation change was submitted to move these wages and benefits to Library Administration and Marketing Service.

#### **Recommendation:**

That the Madison Public Library Board give direction as to which 5% decrease scenario Library staff present to Central Budget.

That the Madison Public Library Board approves:

1. The proposed 2021 operating budget request for submission to the City of Madison.
2. The provision of a general budget authority for any unanticipated contributions and donations awarded to the Madison Public Library received in the 2021 fiscal period and associated expenditure.



Funding Sources

