

**MADISON PUBLIC LIBRARY**  
**Supplementary Notes to the 2026 Operating Budget Request**  
**As of July 2, 2025**

Executive Summary

The 2026 budget request reports represent the revenues and expenses budget as directed by the City of Madison. This supplementary report provides analysis of MPL's 2026 operating budget request. MPL's planning of the operating budget is to ensure MPL is in balance overall with the target balance, and within each sub fund and service.

MPL has two sub funds: 1) levy and earned revenue (sub fund 00000); and, 2) private funds (sub fund 12002). Levy and earned revenue funds represent the revenues from real estate taxes and services MPL provides to the community and other library systems. The separation of the fund types is to ensure MPL does not go over budget for levy and earned revenue funds. Levy and earned revenue funds do not carry forward, revenue that exceeds expenses lapses to fund balance. Private funds unspent at the end of the year are carried forward to the next year to be spent as directed by donors and grant administrators.

Continuing in 2026:

- Budget request has a baked in a budget efficiency for every agency, MPL's amount is \$175,349, or .77%. This is reduced for Library from the 1% in past years. The Mayor directed Central Budget staff to build this into each agency's cost to continue budget. It is up to agency discretion how to distribute these budget efficiencies among the expense budget. Agencies are allowed to leave the budget efficiency reductions in the newly created account string and determine throughout the year how to disburse these reductions to expense account budget.
- Central Budget staff have analyzed historical salary savings and have adjusted the savings for each agency based on the data. MPL's salary savings for 2026 is 3% of total permanent salary budget. MPL's historical actual salary savings: 2017: 3.7%; 2018 4.6%; 2019 4.9%; 2020 9.0%; 2021 3.9%; 2022 3.6%; 2023 2.1%; and 2024 4.8%. Due to some vacancies in management level positions in 2025 it is possible MPL will realize both salary savings and budget efficiencies.
- MPL received \$195,000 in the 2025 Executive Budget for Reindahl operations, this budget is included in MPL's 2026 C2C. These funds, coupled with retirement savings of \$41,000 in 2026, will augment the budget for Reindahl operations.

New in 2026:

- Due to the passing of the referendum in 2024 no reduction scenarios have been requested.
- Agency supplemental requests may be made if they meet one of the following criteria:
  - Funding operating expenses for a new City facility that is not included in the base budget.
  - Funding ongoing costs associated with one-time revenues that will no longer be available.
- Budget for private funds expenses are solely recorded in program supplies or program services. MPL is not trying to anticipate every object code that may be used for private funds, this will make the budget amendment process to add budget to the correct account strings more streamlined.

- New in 2025 and continuing in 2026 MPL will use seven services to categorize revenues and expenses:
  - Borrower Services (501)
    - This service includes all activities associated with the circulation of library materials.
  - Programs & Partnerships (502)
    - This service is responsible for providing programs for all ages both within and outside of library facilities and for developing partnerships with community organizations, other branches of government, private businesses, and individuals. The goal of the service is to foster a diverse patron and partner base and develop programs and services that are based directly on residents' needs and wants.
  - Collection (503)
    - This service is responsible for the selection, acquisition, evaluation, cataloging, and processing of all materials in all formats in the physical library collection. This service also provides access to, selection of, and maintenance of digital library resources. The Madison Public Library is the resource library and largest member of the South Central Library System (SCLS). SCLS libraries share their collection resources through an integrated library system that provides access to the public through the LINKcat online library catalog.
  - Spaces (504)
    - This service is responsible for all activities and services associated with the operation of Madison Public Library's nine public library facilities and the Library Maintenance Support Center. The goal of this service is to provide a safe, pleasant, and welcoming environment at the Central and neighborhood libraries.
  - Admin & Marketing (505)
    - This service provides for the system-wide leadership of the library across all departments, along with marketing and web services promoting the library's nine locations. The goal of this service is to provide strategic direction, fiscal responsibility, and general leadership and management to all areas of library operations.
  - Digital Access (506)
    - This service includes all aspects of library technology, including hardware and software that is used by both staff and the public. The goal of this service is to provide access to Wi-Fi and devices to residents in need and to support the daily work and operations of library facilities and staff.
  - Information Connection & Referral (507)
    - As the statutory resource library for the system, this service is responsible for all activities associated with providing connection to information and resources for the residents of Madison, Dane County and the South Central Library System. Staff at nine library locations integrate information concepts into the full range of library services, including instruction, basic needs support, technology, literacy and research support, community programs and one-on-one reference interactions. Staff develop and maintain partnerships beyond the library profession to strengthen and assess services to users.

Each Library service contains the two sub funds, which must have balanced budgets. During the request phase of budget planning the Real Estate Taxes Revenue budget remains blank, these amounts are determined by the amount of expenses exceeding revenue for levy and earned revenue funds in each

service. Overall Library must meet the target amount of \$22,768,274; this can be distributed among the services in whatever manner MPL determines is needed for operations.

The Mayor's target letter indicates the amount of \$23,204,942, a difference of \$436,668. During the building of the budget request, Library staff discovered some discrepancies in the C2C budget amounts related to Debt Service payments. When brought to Finance's attention MPL was instructed to remove the excess budget from Real Estate Tax revenue and Debt Service expense, effectively reducing our target amount.

The 2025 Operating Budget request reports you have received represent a balanced budget both by sub fund and by service. You are receiving several reports because the City requires MPL to create budget request entries by service. The report that will be most familiar to board members is the "2026 Operating Budget Request Totals". This report lists request amounts by sub fund and includes all services as a singular total.

#### 2026 Operating Budget Request Totals

The grand total represents the target balance given to MPL by the Mayor and Central Budget staff. This report lists the levy and earned revenue amounts separate from the private funds amounts, with a grand total request column. The grand total row balances exactly to the budget target amount given to MPL; this is the total of Real Estate Taxes Revenue that will be transferred to MPL in 2026. MPL staff have analyzed request amounts based upon historical data, known revenue and expense amounts, and Central Budget staff have built in wage increases for longevity, step increases and Cost of Living Adjustment (COLA) increases.

The Cost to Continue (C2C) budget given to MPL has the levy/earned revenue and private funds out of balance by \$2,737, which will be corrected in the request process. You will note that the levy/earned revenue grand total is \$22,768,274 (the corrected target amount), different than the C2C amount of \$22,771,011. Conversely, the private funds grand total is \$0 (balanced budget), different than the C2C amount of \$2,737.

The notes detail what assumptions were made when determining the 2026 amounts to request for each line item. There are many "(blank)" lines with amounts at \$0 and "Retired accounts" with amounts at \$0. Library has many inactive accounts that are pulled in when extracting the data from Munis. There are also "Retired accounts", these are accounts deactivated during the Results Madison chart of accounts overhaul. Library's accountant will attempt to extract the data without these inactive and retired accounts next year.

Central Budget staff do a payroll snapshot early in the year for next year budget. Due to the timing of this snapshot, there can be many changes between that time and the budget request. Changes to payroll or benefits after the snapshot are recorded in Pending Personnel. For example, MPL eliminated the Planner 2 position and used those funds to create the Library IT Specialist 1 and the 60% Technical Services Clerk after the payroll snapshot was taken. The movement of these funds between the different services is recorded in Pending Personnel during the budget request. After budget is adopted MPL then moves the funds in Pending Personnel to the accounts they belong in. This isolates any payroll changes for Central Budget staff to review.

#### 2026 Operating Budget Request Totals by Service

MPL is presenting the individual service reports in the same format as the “2026 Operating Budget Request Totals”. Not every MPL service uses every object code, so most of the service reports are much shorter than the totals report. The grand total line in the reports by service represents the amount of Real Estate Tax Revenue that will be transferred to each Library service in 2026.