

MADISON PUBLIC LIBRARY
Supplementary Notes to the 2024 Operating Budget Request
As of June 30, 2023

Executive Summary

The 2024 budget request reports represent the revenues and expenses budget as directed by the City of Madison. This supplementary report provides analysis of MPL's 2024 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 library systems. The segregation of the fund types is to ensure MPL does not go over budget for levy and earned revenues. Levy and earned revenues 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.

MPL has five services: 1) Public Services (service 501); 2) Community Engagement (service 502); 3) Collections and Resources Access (service 503); 4) Facilities (service 504); and, 5) Admin & Marketing (service 505). Each Library service contains the two sub funds, which must have balanced budgets.

The 2024 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 balanced both by service and by sub fund. The report that will be most familiar to board members is the "2024 Operating Budget Request Totals". This report segregates request amounts by sub fund, and includes all services as a singular total.

The grand total rows on each report represent the net levy funding for MPL, both in total and by MPL service. Private funds grand total will always net to zero.

2024 Operating Budget Request Totals by Sub Fund

The grand total represents the target balance given to MPL by 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 that will be transferred to MPL in 2024. 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.

New for the 2024:

- Budget request is a baked in 1% budget efficiency in each service. The Mayor directed Central Budget staff to build this in to each agency's cost to continue budget. It is up to agency discretion how to distribute these budget efficiencies among 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 amounts to expense accounts.
- Central Budget staff have analyzed historical salary savings and has adjusted the savings for each agency based on the data. MPL's salary savings for 2024 is 4.1% of total permanent salary amounts. MPL's historical actual salary savings: 2017: 3.7%; 2018 4.6%; 2019 4.9%; 2020 9.0%; 2021 3.9% and 2022 3.6%. It is unlikely we will absorb any of the budget efficiency amounts through salary savings. Additionally, the MPL Accountant has reached out to Budget inquiring on the 4.1%, when agencies of our size were supposed to be assigned 3.0%. We should have additional information on this by the meeting 7/6/23.

2024 Operating Budget Request Totals by Service

MPL is presenting the individual service reports in the same format as the "2024 Operating Budget Request Totals". Zero balance lines are hidden to keep the reports cleaner. Not every MPL services uses every object code.