

Madison Public Library Operating Budget 2027

Presented at Library Board 7/2/26



Operating Budget Considerations

The operating budget must be balanced (revenues = expenditures). There are constraints on both sides of the equation.

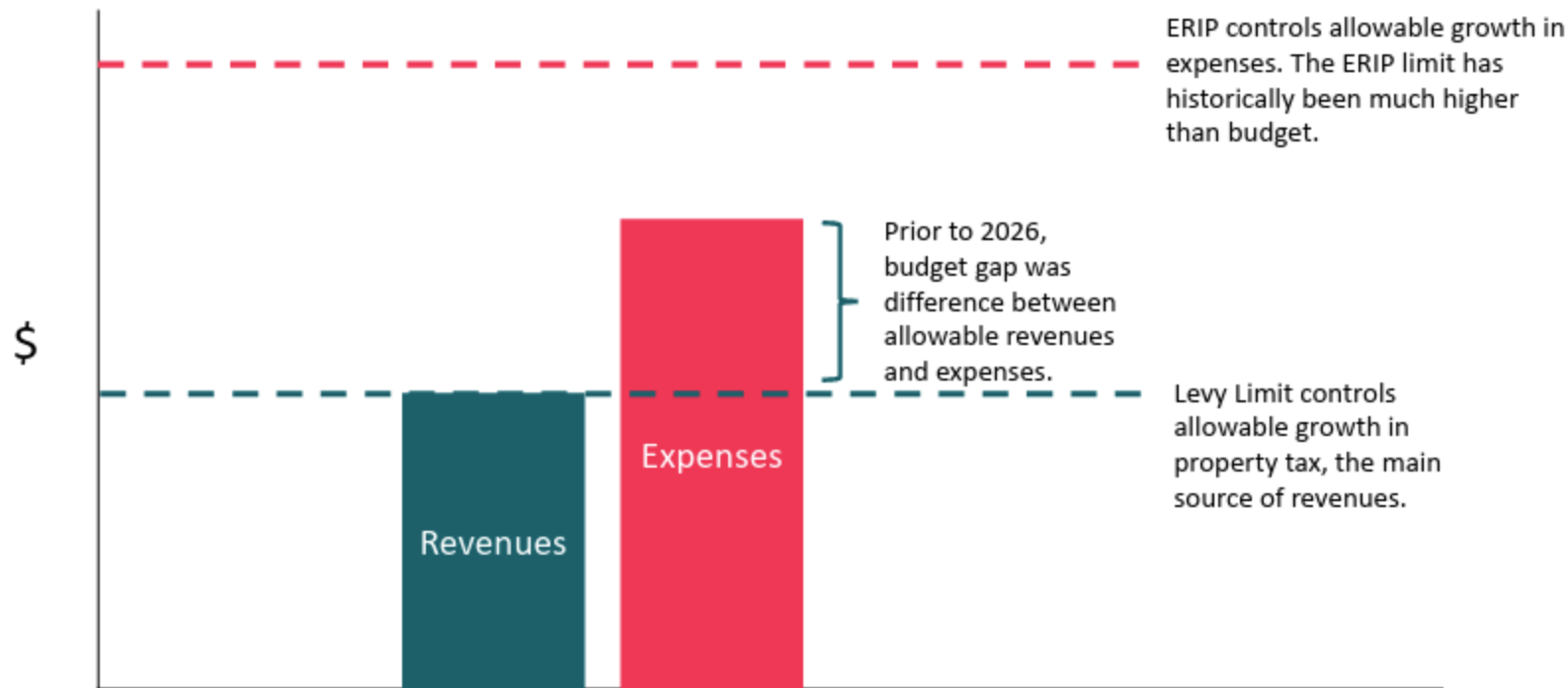
Revenue Limits

- The levy limit and other limits on local revenues have been the primary challenge with structural deficit. Allowable growth in revenues does not keep pace with expenditures.
- Voters approved a \$22 million referendum in 2024 to close the budget gap in 2025. This amount is permanently added to tax base but does not grow with inflation or rising expenses.
- The [5-year plan](#) in the 2026 budget shows the structural gap and options to balance the budget (e.g. fund balance, special charges).

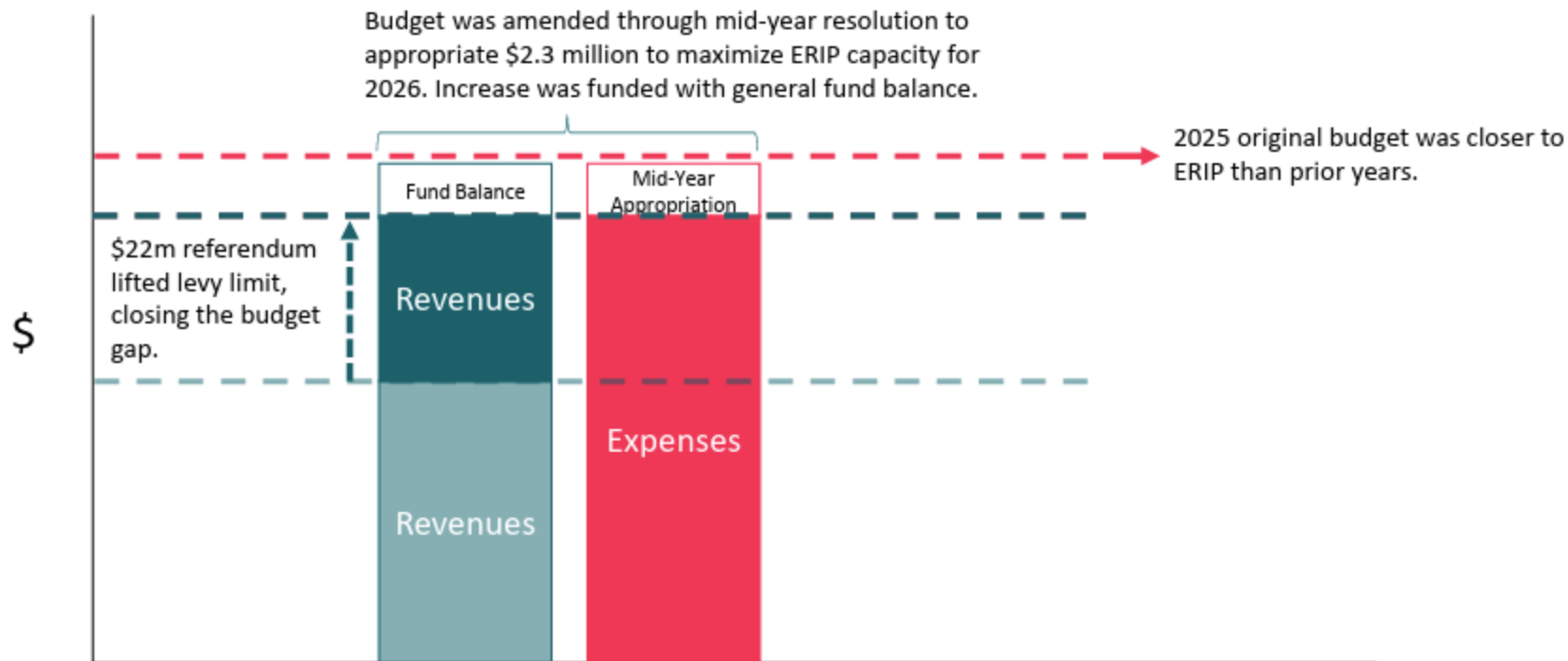
Expenditure Limits

- The Expenditure Restraint Incentive Program (ERIP) limits growth in year over year expenditures.
- Compliance results in annual State Aid payments of \$7m-\$9m.
- Prior to 2026, ERIP limit had been significantly higher than levy limit, meaning we could have increased expenditures if revenues allowed.
- 2026 is first budget that had an ERIP constraint before levy constraint.

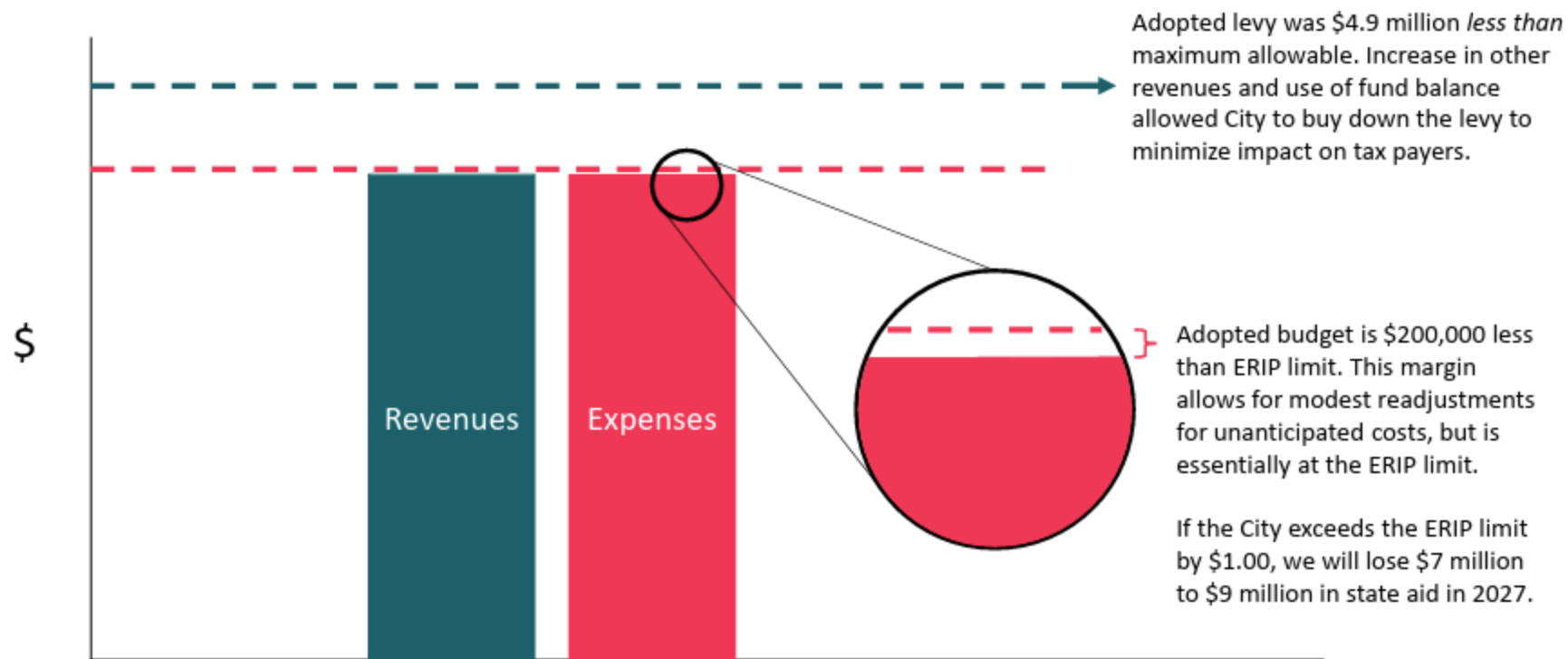
Historically, the levy limit has been the primary budget challenge.



In 2025 budget, the property tax levy referendum helped close the gap.



The 2026 budget was the first time we hit the ERIP limit before the levy limit.



2027 Cost to Continue Process

Cost to Continue (C2C) is the first step of developing the city's operating budget. It is a baseline estimate of how much it will cost the City to provide the same level of service in the upcoming year.

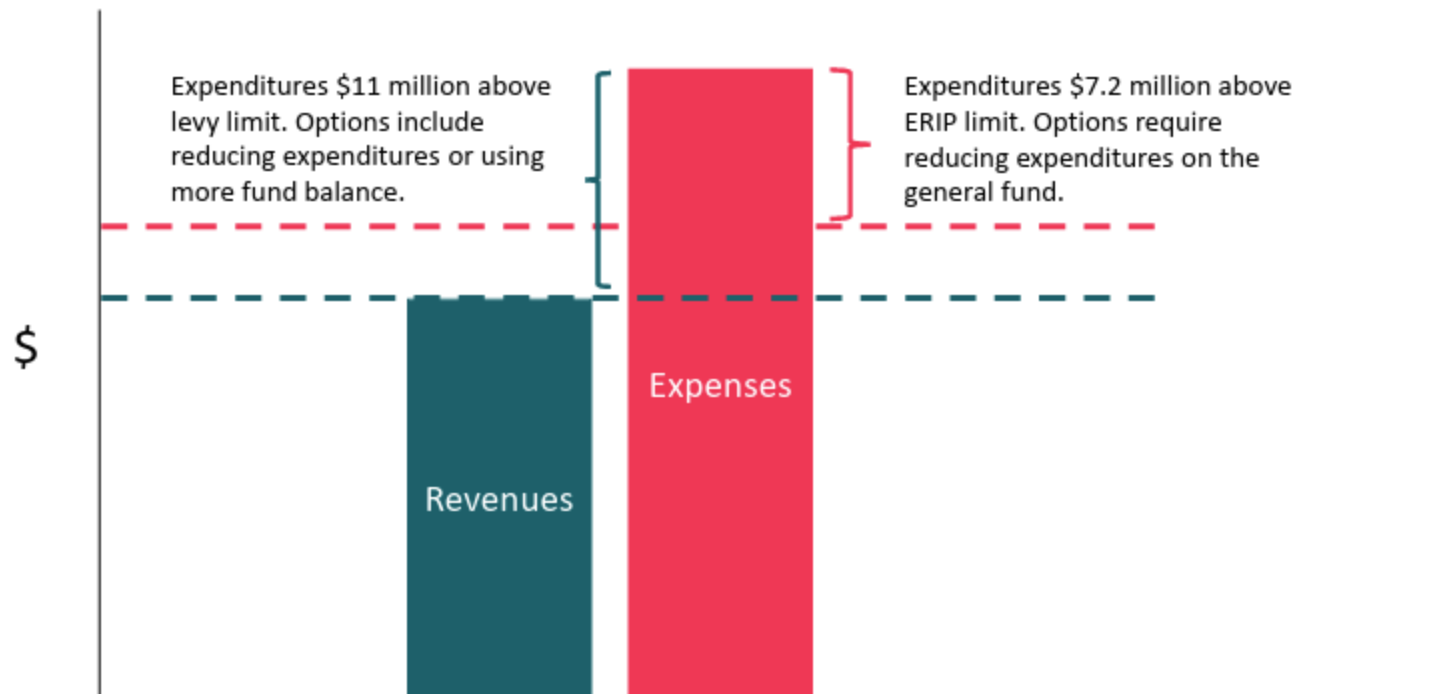
City-Wide Adjustments

- Update revenue projections and remove one-time funding used to balance the 2026 Budget
- Personnel Costs
 - Estimated through a salary & benefit projection that incorporates step & longevity increases and negotiated increases
 - Includes placeholders for benefits rates, which will be updated later in the year
 - Based on 2026 payroll allocations
- ID Charges for internal services (Fleet, Insurance, Workers Compensation) and cost allocation plan

Agency-Specific Adjustments

- Remove one-time funding and expenses from the 2026 Adopted Budget
- Annualize partial year commitments
- Build in contractually required increases for purchased services
- Agency C2C determined through meetings between agencies and budget staff

2027 Cost to Continue projects a revenue gap and exceeds the ERIP limit.



Base Budget Guidance

From the Mayor's Agency Guidance:

- Base budget will be 99.25% of cost-to-continue levels, which includes a built-in 0.75% budget reduction to reflect historic underspending levels.
- The base will continue the same salary savings rate as the 2026 budget. Our savings target is 3% of permanent salaries.
- All agencies, including enterprise funds and restricted funds, must propose service reductions equal to at least 2% of the department's 2027 base budget.
- City goal is to preserve core services while identifying lower priority services that could be eliminated. Plans should avoid, to the extent practicable, one-time savings from holding positions vacant and reductions in administrative costs (e.g. travel, training, office supplies) that do not impact service levels.
- Agencies will not be allowed to submit new position requests or supplemental requests for 2027.

Other considerations

- **Citywide Priorities:** Agency requests should be aligned with citywide priorities, including racial equity, social justice, and sustainability.
- **Creativity and Innovation:** Agencies are directed to be creative in developing proposals to reduce the cost-of-service delivery, including working across agencies to create cost-saving efficiencies.
- **Data-Informed Proposals:** Agencies that have completed the Results Madison data engagement will be expected to select 2-3 service indicators to present as part of their budget. These indicators will be published as part of the executive budget in October.

Library Priorities

- We are in the process of opening a new library. Until we know what that means for our system, we are prioritizing avoiding layoffs and not eliminating permanent positions.
- We prioritized items that can be partially replaced with private funding.
- **If these reductions are taken, and we are asked for additional reductions in 2027, we will have no recourse but to propose reducing service hours and implementing layoffs in 2028's budget exercise.**

Base Budget: \$24,802,818 Target

- Our target letter indicated our base budget is \$24,802,818
- Highlights:
 - 0.75% efficiency = \$187,447, increase of \$12,098 over 2026
 - Salary savings target = \$361,904
 - “Made whole” on big things including Dane County formula - decreased revenue (\$2,207) and increased expenses (\$288,876) total increase \$291,083
 - Included full year of Imagination Center permanent positions, addition of hourly positions and increase to offset operating expenses
 - \$6,758 increase for OverDrive; \$34,000 increase for databases; \$25,500 increase for Kanopy
 - \$50,000 for collection processing fees (for increase of \$250,000 to collection in capital)

Future Implications

- We are projecting being \$545,027 over budget in 2026 due to a combination of Imagination Center and ILS Migration one-time expenses, not meeting 3% salary savings, and not meeting .77% efficiency.
- We anticipated some of that and intended to use fund balance to cover extra one-time costs; using it won't affect ERIP and still leaves us comfortably above the recommended 5%.
- As our budget increases, so do our targets:
- 5% fund balance \$1,240,141 (projected \$2,273,231)
- We will be less likely to add to fund balance in the future due to having more difficulty meeting salary savings and required efficiencies.
- **If these reductions are taken, and we are asked for additional reductions in 2027, we will have no recourse but to propose reducing service hours and implementing layoffs in 2028's budget exercise.**

2% Reduction Scenario Overview

Sunday hours: all libraries	\$208,318.81
75% of program services/supplies reduction	\$138,768.75
Databases & streaming services	\$58,836.33
Professional development	\$21,575.00
Facilities	\$39,497.81
Other staffing/service reductions	\$29,059.30
Total	\$496,056.00

Sunday Hours

Goodman & Lakeview Libraries	\$84,089.00
Central Library	\$124,229.81
Total	\$208,318.81

Sunday Hours: Goodman South & Lakeview Libraries (\$84,089) and Central Library (\$124,229.81)

	Sunday Visits (2023)	Wednesday Visits (2023)*	Sunday Visits (2024)	Wednesday Visits (2024)*	Sunday Visits (2025)	Wednesday Visits (2025)*
Central	13,777	11,418	15,366	12,559	12,663	
Goodman South Madison	2,350	4,294	2,614	5,480	1,916	
Lakeview	4,411	5,529	4,644	6,722	3,686	
Total Patrons Served	20,538	21,241	22,624	24,761	18,265	

*Data taken from same weeks as Sunday open hours, from 1-5pm.

Central: 2025 Average

	8a	9a	10a	11a	12p	1p	2p	3p	4p	5p	6p	7p	8p
Sun	0	1	6	3	6	129	87	70	41	2	1	1	0
Mon	7	111	83	82	106	99	96	85	79	78	74	38	19
Tue	8	110	90	80	111	105	95	88	87	77	69	46	20
Wed	8	121	97	85	109	97	88	83	78	77	84	39	20
Thur	6	112	87	82	104	97	90	80	79	74	68	35	21
Fri	5	120	90	86	123	113	90	84	77	52	7	17	4
Sat	8	148	151	169	165	144	126	110	79	10	5	3	2

Goodman South: 2025 Average

	9a	10a	11a	12p	1p	2p	3p	4p	5p	6p	7p
Sun	0	0	0	0	23	20	16	12	0	1	0
Mon		37	36	36	45	38	39	34	30	19	10
Tue		33	30	31	33	35	35	37	34	21	10
Wed		35	30	31	32	33	34	40	34	19	12
Thur		34	36	31	32	34	34	36	35	19	10
Fri	7	35	31	30	33	34	34	32	25	16	10
Sat	23	31	27	30	31	26	25	17	1	0	4

Lakeview: 2025 Average

	9a	10a	11a	12p	1p	2p	3p	4p	5p	6p	7p
Sun	0	0	0	2	31	28	22	15	1	0	1
Mon	2	51	36	37	41	43	50	48	40	25	15
Tue	5	51	42	44	45	47	50	55	40	31	15
Wed	2	50	35	37	39	38	40	39	41	29	14
Thur	3	55	37	41	40	40	44	39	35	27	13
Fri	3	46	40	41	46	42	44	40	32	23	11
Sat	30	42	41	44	44	43	42	31	2	0	1

75% Reduction in Program Performers & Supplies

Performers	\$86,962.50
Program Supplies	\$51,806.25
Total	\$138,768.75

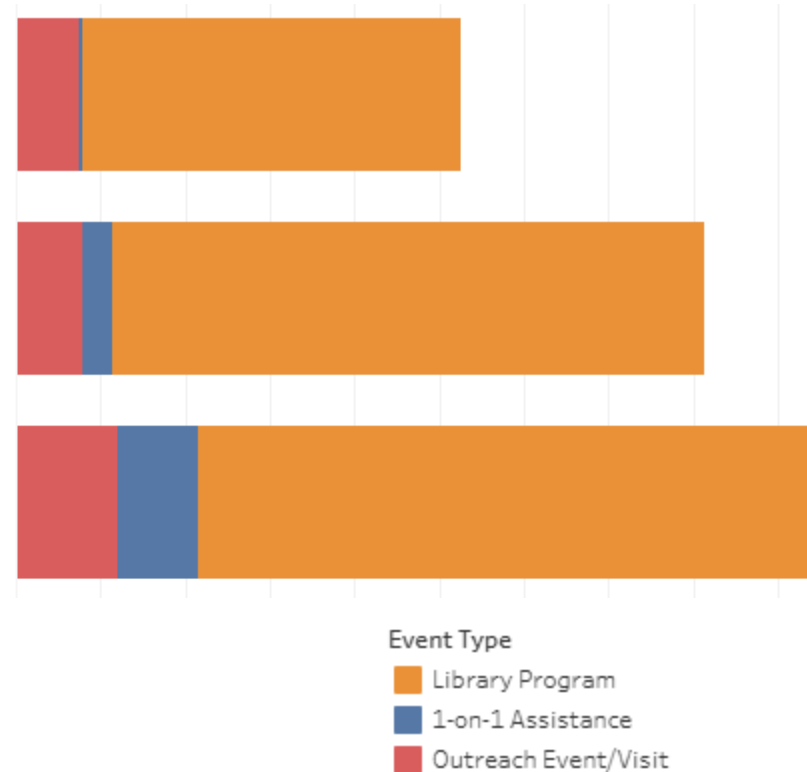
Examples of programs that were funded in 2025 by City funds include: *Art exhibits, Coffee & Conversation, Cinesthesia, Art after Overture, Cooking Club, etc.*

Important to note that programs funded with City funds vary from year to year due to donations from Foundation and Friends, so this is a representative sample

In 2025, 18% of program spending came from City funding and 82% of program spending came from Foundation, Friends, grants, and endowments.

Programs and Outreach, with Attendance, 2023-2025

	2023	2024	2025
Total library programs	1,863	3,155	3,247
Total library program attendance	44,750	69,835	73,105
Total outreach programs	339	312	413
Total outreach program attendance	7,476	7,910	11,950



Source: [Library Programs and Attendance dashboard](#)

Databases & Streaming Services

		Reduction	Total Cost	Uses/Cost Per Use (2025)
Kanopy		\$25,500.00	\$87,975.00	76,538 uses, \$.85/use
Elimination of some databases	Flipster	\$9,578.12	\$9,578.12	1,229 uses, \$7.79/circ
	Gale Peterson's Test and Career	\$7,706.92	\$7,706.92	187 uses, \$41.21/circ
	Morningstar	\$13,256.25	\$13,256.25	27,647 uses, \$.48/use
	Weiss Financial Ratings	\$2,795.04	\$2,795.04	435 uses, \$6.43/use
	All other databases (not including OverDrive)	\$0.00	\$156,199.90	
Total		\$58,836.33	\$278,111.23	

Other Proposed Reductions

Professional Development	Urban Libraries Council membership	\$12,075.00
	50% of Professional Development	\$9,500.00
Facilities	Central Window Cleaning (1 instead of 2/yr)	\$5,395.00
	Natural Gas adjustment	\$9,102.81
	Central custodial contract replace. 1 FTE custodian	\$25,000.00
Other Staffing and Service Reductions	1 16/hr week page (Imagination Center)	\$16,605.31
	1 12/hr week page (Central Library ground floor closes at 6pm)	\$12,453.99
Total		\$90,1312.11

2% Reduction Scenario Overview Prioritized

Other	112/hr week page (Central)	\$12,453.99
Facilities*	Window Cleaning & Natural Gas	\$14,497.81
Professional Development	Urban Libraries Council membership	\$12,075.00
Professional Development*	50% of Professional Development	\$9,500.00
Facilities	Central custodial contract	\$25,000.00
Sundays	Goodman and Lakeview	\$84,089.00
Other	116/hr week page (Imagination Center)	\$16,605.31
Databases & Streaming*	Kanopy & 4 databases	\$58,836.33
Programming*	Performers & Supplies	\$138,768.75
Sundays	Central	\$124,229.81
Total		\$496,056.00

Key Dates for 2027 Budget Development

Capital Budget

- Kick Off: **March 17**
- Agency Requests Due: **April 17**
- Agency Briefings: **May 13-15**
- Executive Budget Introduced: **September 8**
- FC Briefings: **September 14-15**
- FC Amendment Meeting: **September 28**
- CC Budget Meetings: **November 10-12**

Operating Budget

- Kick Off: **June 9**
- Agency Requests Due: **July 17**
- Agency Briefings: **August 12-21**
- Executive Budget Introduced: **October 6**
- FC Briefings: **October 12-13**
- FC Amendment Meeting: **October 26**
- CC Budget Meetings: **November 10-12**

*FC = Finance Committee

*CC = Common Council