

**MADISON PUBLIC LIBRARY**  
**Supplemental Notes to the 2020 Operating Budget Request**  
**As of July 8, 2020**

Key Indicators

\$18,362,294		Total Target Budget Operating Expense
\$18,362,294		Total Operating Budget Request Expense
\$1,667,948	9.08%	Total Net Operating Revenue (excluding City Appropriations as a percentage of requested total expenditure)
\$13,493,734	73.88%	Total Wages & Benefits Expense
\$801,106	4.36%	Total Supplies Expense
\$2,776,835	15.12%	Total Services Expense
\$2,958,567	16.11%	Total Debt/Inter-Dept Charges

Summary

The instructions received from Central Budget lays out a new process for submitting the 2020 operating budget requests. In the past we have submitted operating budget request at the agency fund level, meaning the total of all Library services as a singular amount. The 2020 operating budget request is required to be submitted at the agency service level. Madison Public Library has five services:

- Public Services
- Community Engagement
- Collection Resources and Access
- Facilities
- Administration and Marketing

The reports you have for review are reflective of this new process. In addition to the budget request for the Library in total, you also have 5 reports showing the budget request by Library service. During the past year, and during this new budget request process, it has been brought to light that we have not been consistently applying the appropriate services and accounts to revenue, personnel and various supplies and services expenses. For example:

- Most of the staff spending money for Community Engagement have their salaries and benefits charged to Public Services.
- HVAC services have been classified as both HVAC supplies and HVAC services

In addition to requesting budget by service, there is another new component in the 2020 operating budget process. In the past, there were supplemental requests; for the 2020 request we are required to submit three scenarios:

- Base Scenario – explain any changes you are proposing by service within your agency target.
- Increase Scenario – identify discrete service expansions or enhancements that could be achieved with a 2.5 percent increase to the service’s expenditure budget.
- Decrease Scenario – identify viable and reasonable options to make services more efficient or to provide a different level of service that continues to deliver results if the service’s budget was reduced by 2.5 percent.

The individual service reports will have many variances due to reallocation of revenue, personnel and expenses to the most appropriate Library Service and account. Further, Library line item budget amounts had not been updated to reflect actual cost of expenditures due to price increases.

#### How to read the reports

Central Budget Projection column: Central Budget has pre-loaded projected cost to continue amounts in the 2020 Operating Budget Projection. These amounts are based upon previous year's budget and adjusted per the target letter sent to the agencies. A copy of Library's 2020 target letter is included with your packet materials.

2020 Total Request column: Library's total budget request, combining levy and donation funding. The grand total indicates the amount of levy funding needed, and must be equal to, or less than, the target total indicated in the Central Budget Projection column.

2020 Levy Funding Request column: This is an informational column detailing Library's budget request segregating levy funding. The grand total should be equal to the total request column.

2020 Donation Funding Request column: This is an informational column detailing Library's budget request segregating donations funding. The grand total should be \$0, indicating we budgeted appropriate expenses for all of the donations.

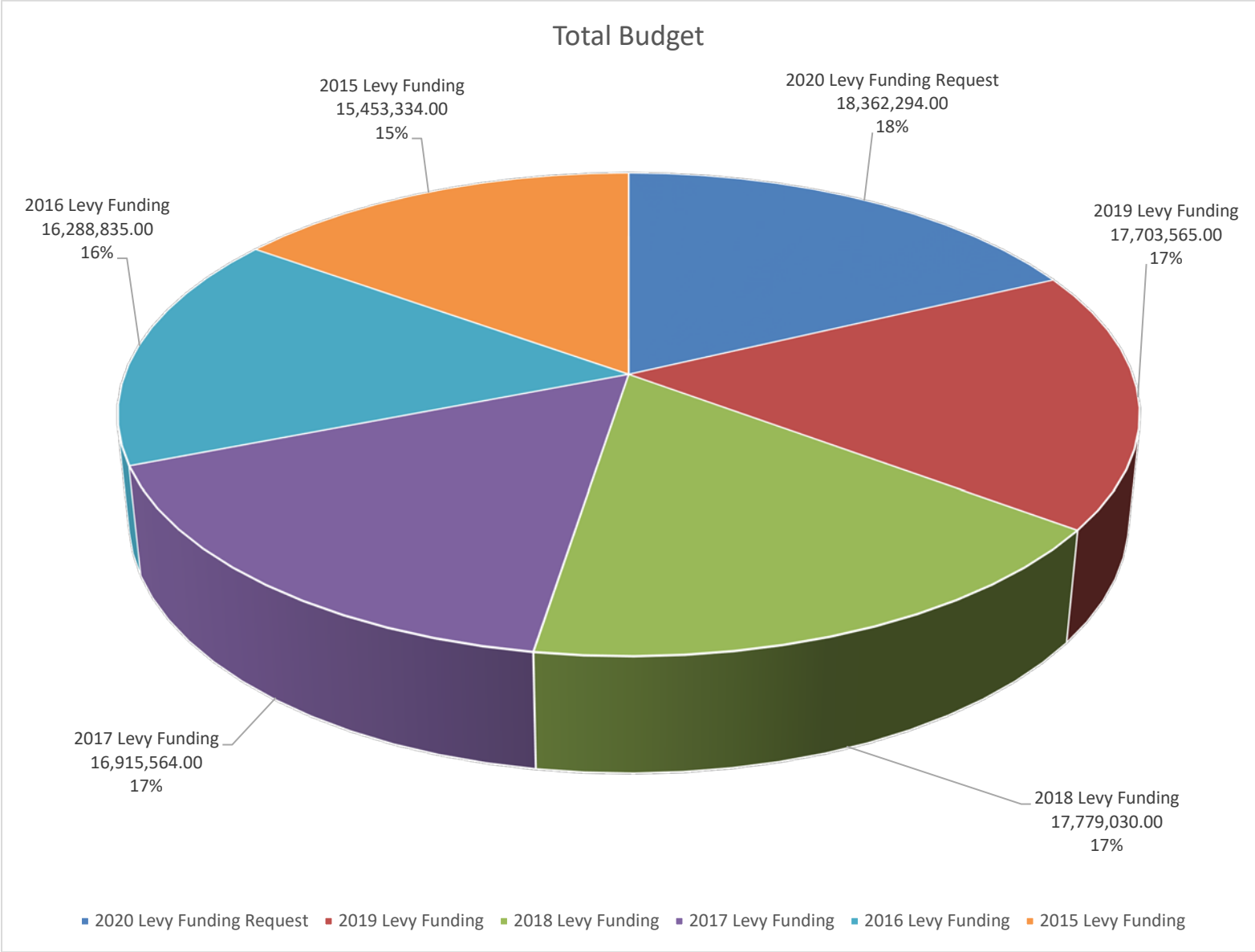
Variance: Represents the variance between Central Budget Projection and Library total budget request. This should be \$0, indicating we met the target budget presented by Central Budget.

#### **Recommendation:**

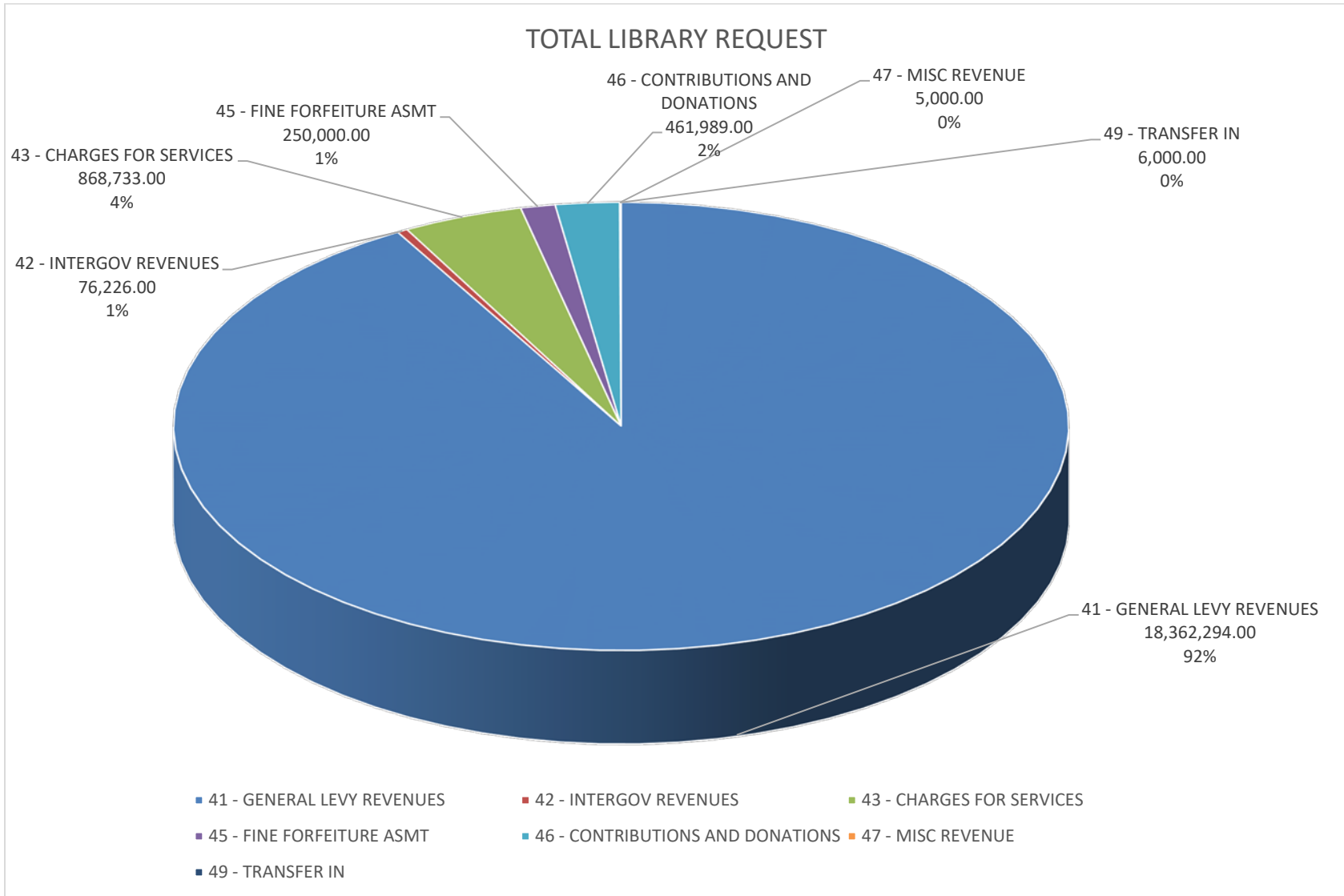
That the Madison Public Library Board approves:

1. The proposed 2020 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 2020 fiscal period and associated expenditure.

MADISON PUBLIC LIBRARY HISTORICAL LEVY FUNDING



2020 PROJECTED DRAFT OPERATING BUDGET REVENUE (City appropriations estimated only)



2020 PROJECTED DRAFT OPERATING BUDGET EXPENDITURE

