

MADISON PUBLIC LIBRARY
Supplementary Notes to the 2025 Operating Budget Request
As of July 1, 2024

Executive Summary

The 2025 budget request reports represent the revenues and expenses budget as directed by the City of Madison. This supplementary report provides analysis of MPL's 2025 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.

New in 2024 and continuing in 2025:

- Budget request has budget efficiency reducing available budget for every agency by 1%, MPL's amount is \$219,939. 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 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 amounts to expense accounts.
- 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 2025 is 3.2% 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%; 2022 3.6%; and 2023 2.1%. It is unlikely we will absorb any of the 2025 budget efficiency amounts through additional salary savings.

Returning in 2025:

- 2025 budget requests must include scenarios for cutting the budget by 5%, MPL's amount is \$1,088,699.10. The Mayor instructed staff to formulate the reduction as a reduction of service(s).

New for 2025 is the implementation of the new Results Madison chart of accounts.

- In 2024 and prior years MPL has five services:
 - Public Services (501)
 - Community Engagement (502)
 - Collections and Resources Access (503)
 - Facilities (504)
 - Admin & Marketing (505).
- Beginning in 2025 MPL will use seven services:
 - 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, this can be divided over all services in whatever manner MPL determines is needed for operations.

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 “2025 Operating Budget Request Totals”. This report lists request amounts by sub fund and includes all services as a singular total.

The 2025 budget request was created using Library’s new seven services. Since this is the first time using the new services the budget request was created to the best of our ability. Budget staff told agencies that we should try our best to assign costs to the new services, but they are expecting that there will be many adjustments to 2025 budget during the 2025 mid-year appropriation practice.

2025 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 2025. 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.

2025 Operating Budget Request Totals by Service

MPL is presenting the individual service reports in the same format as the “2025 Operating Budget Request Totals”. Zero balance lines are hidden to keep the reports cleaner. Not every MPL services uses every object code. The grand total line in the reports by service represents the amount of levy funds that will be transferred to each Library service in 2025.