



Office of the Mayor

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Date: June 4, 2018
To: Department and Division Heads
From: Mayor Paul R. Soglin
Subject: 2019 Operating Budget Instructions

Our city is noted for many great qualities – the natural beauty of the lakes, the vibrancy of the University of Wisconsin campus, the downtown celebrations and neighborhood festivals, the steady employment of old and new employers. We have the lowest unemployment and strong property value growth– in fact, Madison’s economy lifts Wisconsin.

Those great qualities attract a diverse population to our city – university students, professionals, service sector employees, and those hoping to enter a new exciting, rewarding life they could not find elsewhere. Madison’s Neighborhood Indicators Project (found online [here -- https://madison.apl.wisc.edu/](https://madison.apl.wisc.edu/)) is an excellent tool to understand the diverse nature of our city.

In the area near the airport, for example, nearly 14 percent of Madison Metropolitan School District students that live there are considered *high mobility* – meaning that they transferred 2 or more times between schools in the past three years – which is among the highest rates in the city. The lowest rate of mobility was 1.8 percent in the Midvale area. Economically disadvantaged students (from families with income below 185 percent of the federal poverty level – about \$46,400 for a family of four) ranged from a low of 2.8 percent in the Midtown area on the west side to 92 percent in the Marlborough area south of the Beltline.

Seventy-eight percent of the population in Marlborough is non-white; less than 30 percent of the homes are owner-occupied; and nearly 35 percent of the population is under the age of 17 – the highest share of young people in the City. In contrast, 18 percent of the Midtown area’s population is non-white; 82 percent of the housing is owner-occupied; and 30 percent of the population is under the age of 17. Throughout the City, children of color constituted 44 percent of the child population under 5 years old, compared to people of color comprising 20 percent of the adult population (2010 Census data).

Sharing the prosperity of our growing city is a goal we continue to seek. We have focused resources on interrupting the cycle of violence in our City, with some marked progress over the past year. We have invested in affordable housing units, and are on pace to create 1,000 units in 5 years. Place-making efforts are underway to create greater community in our neighborhoods facing the most challenges, as are efforts to diversify access to healthy food, including development of a Public Market. The City is also phasing in a \$15 minimum wage for its staff.

More needs to be done. Many of our residents may not be aware of, or have the time to access, the broad array of city services. Many of those residents would benefit from the services we provide and help fund. In my executive budget, I will be focusing resources on strategies to better connect those residents to our city.

Improving the allocation of city resources through data-informed decision-making is one of the key parts of the City’s Performance Excellence Initiative. One part of that initiative – Results Madison – is working to inventory all City services, develop performance measures for each, and better connect those services to the results all our residents expect. Many agencies have either begun or completed this work. When building your budget, I encourage you to use the insights gained from that process and focus on the service

level supported by your proposed budget. Another part of that initiative will gather survey data from our residents and use that information to enhance our processes to continuously improve city services.

The state and federal governments do little to help us serve all our residents. Federal Community Development Block Grant (CDBG) and State Shared Revenue funding has been stagnant or declining for decades. We must continue to find ways to innovate within a multitude of state mandates and policies of a federal government that are devoid of meaningful investments in local transportation options and associated job growth.

The 2019 operating budget will again present many challenges, including stagnant federal and state aid and local revenues, strict state mandated limits on operating costs, rising debt service and increased operating costs due to our capital construction program, pay equity goals for City employees, adequate funding for public safety services and other key priorities.

With this in mind, I am directing each of you to follow these budget instructions for 2019. I am also directing that you reduce costs and implement efficiencies within your base budgets.

- No increases from the 2018 base budget, as adjusted for various cost-to-continue items (i.e., pay adjustments for steps and longevity, worker's compensation and insurance, fleet charges, building space and utility costs and full funding of partial year positions).
- Optional development of supplemental budget requests for high-priority needs (see below).

Agencies that wish to offer supplemental budget requests for high-priority needs can use the form provided on the Budget Sharepoint page. These requests should explain the proposal, articulate the desired outcome and identify ways to measure progress toward achieving the outcome. All agencies that submit supplemental requests must prioritize those requests. I will review these proposals for possible inclusion in my executive budget and may request additional information from agencies as the operating budget is developed.

Your budget requests should be developed with equity in mind, through use of various tools, processes and procedures of the Racial Equity and Social Justice Initiative (RESJI). Please contact RESJI staff for more information on use of RESJI tools.

We are a great city because we care about our neighbors and seek success for all. City government is working to better align itself to achieve the results its residents expect. We will truly make progress toward our vision of a Madison that is inclusive, innovative and thriving for all our residents.