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**Date:** June 16, 2025  
**To:** Department and Division Heads  
**From:** Mayor Satya Rhodes-Conway  
**Subject:** 2026 Operating Budget: Agency Guidance

Colleagues:

We head into the 2026 Operating Budget process with a clear message from Madison residents that they value the essential services provided by your agencies. The successful adoption of last year's funding referendum demonstrates that support and will make it easier for us to provide quality services to our residents going forward. Nonetheless, we still have a responsibility to continue to find efficiencies and creative solutions that allow us to meet the needs of our community while conserving resources. And of course, we are still operating within the constraints imposed on us by the State Legislature.

Uncertainty at the federal level is an added challenge to this year's budget process. We will not know the full impact of any changes until after you have submitted your requests. Some of the federal proposals being considered will directly impact city operations. Many others will affect the wellbeing of our residents and could have an impact on our budget as a result. As the federal government abdicates its responsibilities, local governments will be called upon to take care of our communities in new ways and we must be mindful of this in our planning process.

Additionally, municipalities across Wisconsin, particularly growing cities like Madison, still face the challenge of operating under revenue restrictions that do not sufficiently account for rising costs. That is why we have seen an unprecedented number of communities make the difficult decision to either cut critical services or put referendums on the ballot, a trend that will inevitably continue until the State Legislature takes corrective action. While our successful referendum has bought us breathing room, we expect that we will continue to face challenges because of the state-imposed levy limit and expenditure restraint program.

Earlier this year, we contracted with a state lobbying firm that is helping build a coalition of local governments to find bipartisan solutions for increasing local government funding. This is a strategy that will take time but I am optimistic will eventually result in a fairer system for all taxpayers and ease the challenge of structural deficits in local government budgets. We are seeing small signs of progress that rise above Wisconsin's partisan divides. For example, the cities of Oshkosh and Waukesha have brought new attention to the state not fully funding the Municipal Services Program, which results in Madison and other cities not being fully reimbursed for millions of dollars of police and fire protection we provide to state facilities. While remaining realistic, we will be aggressively pursuing change at the state level with this coalition of local leaders.

Until then, local governments in Wisconsin will remain far too dependent on the property tax base and that must factor into our plans for the 2026 operating budget. The maximum possible restraint must be used in any adjustment to the property tax levy. The five-year plan adopted by the Common Council as part of our 2025 budget calls for us to continue to find efficiencies and use the fund balance (or "Rainy Day Fund") to address our projected shortfall in 2026. The City must also be prudent in its spending in order to continue to qualify for \$7 million in state aid under the Expenditure Restraint Incentive Program.

A silver lining of inflation and elevated interest rates is that our fund balance has exceeded our conservative projections and remains healthy. We must not treat the fund balance as a way to inappropriately expand operations, nor should we jeopardize our triple-A bond rating by spending it down all at once. We can, however, prudently use the fund balance over the next few years to avoid painful service cuts that will negatively affect our most vulnerable residents. The option to use special charges to fund services may still be necessary in future years. However, I believe we can avoid placing that extra burden on residents in the 2026 budget.

Over the last few budget cycles, I have asked agencies to craft budgets with a built-in 1 percent reduction. This reduction was based on an analysis of actual underspending trends and did not reduce services. However, the cost to maintain the same level of service continues to increase to meet the needs of our growing city, which is one of the fastest-growing communities in Wisconsin and a driving force for the state's economy. With that in mind, I have added a small amount of flexibility for agencies to account for many years of having to do more with less. This flexibility should be used modestly to meet pressing demands.

As you put together your operating budget requests, I encourage you to incorporate what you have learned from the Results Madison process. Agencies who have completed the data engagement should use those data to identify efficiencies where possible and to look for possibilities to innovate. In keeping with the City's move to 5-year budget planning cycles, I also encourage you to anticipate emerging needs and develop strategies to meet them.

I am grateful for the leadership you have shown to do right by our residents under less-than-ideal conditions. We must continue to work together and with that same spirit moving forward. Madison is leading the way when it comes to innovative thinking and best practices. I know you will once again meet this high bar while living up to the values of our community.

In this context, I am providing the following guidance for 2026 operating budget requests:

#### Base Proposals for General, Library, and Fleet Funds

- Agencies will receive a base budget consistent with the cost-to-continue current services.
- The base will continue the same salary savings rate as the 2025 budget. Rates will be tiered from 0%-3% based on agency size.
- The base will also include a 0.75% reduction to reflect underspending trends. This reduction is less than prior years, which required a 1% cut, to allow more flexibility in agency budgets. Department heads will be expected to manage to their target budget.

#### Base Proposals for Enterprise Agencies

- All Enterprise Fund Agencies must submit operating budget plans consistent with current revenue projections for 2026.
- Agencies projecting revenue shortfalls for 2026 will need to present a base budget that includes expenditure reductions to meet available revenue. Those agencies that receive subsidies from other funds will need to carefully scrutinize and reduce spending levels where necessary, consistent with constraints on the funds providing the subsidy.
- Proposed rate increases should be analyzed through an equity lens and consider resident ability to pay. If a rate increase is proposed, agencies will need to explain the components of the increase and what efforts have been made to reduce expenses.

#### Reallocations, Personnel Requests, and Other Charges (All Funds)

- Agencies may reallocate funding across services so long as the changes are net neutral and do not increase the agency's overall expenditures.
- Agencies are encouraged to scrutinize their activities and use available data on services to prioritize funding. This includes examining whether there are programs or activities that can be phased out due to shifting needs.
- Agencies cannot propose changes to centrally calculated salary savings and interdepartmental billings & charges (e.g. building use, fleet, insurance, workers compensation, and cost allocation plan charges). Additionally, agencies cannot propose new revenues that result from charging other agencies. Proposals to shift costs to other funding sources must be sustainable.
- All requests for personnel reclassifications (except for standard career ladders) must be detailed in the budget proposal forms, even if net neutral. Agencies must discuss proposed changes with their HR analyst prior to submitting a budget request. Changes resulting in a new classification must include an updated position description.

### Supplemental Requests

- The 2026 budget will have limited capacity to fund supplemental budget requests. Agencies may submit a supplemental request if they meet one of the following criteria: 1) funding operating expenses for a new City facility that is not included in the base budget, or 2) funding ongoing costs associated with one-time revenues that will no longer be available.

### Priorities of Racial Equity, Social Justice, and Sustainability

- Agency requests should be aligned with citywide priorities, including racial equity, social justice, and sustainability. Department heads are encouraged to engage department equity teams to think about how to advance equity goals within your base budget and core services. If you have questions regarding sustainability measures, they can be directed to our sustainability staff.

### Creativity, Innovation, and Data-Informed Proposals

- Be creative in developing proposals to reduce the cost of service delivery. Consider ways to work across agencies and collaborate with others to create cost-saving efficiencies. If you have ideas for inter-agency coordination that do not fit directly within your budget, contact your budget analyst to discuss options.

Thank you for your continued leadership and collaboration in service to the residents of Madison. I look forward to reading your proposals on how to continue best serving this city.

Sincerely,

Satya Rhodes-Conway

Mayor



# 2026 Operating Budget Kick-Off Meeting

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June 16, 2025

# Agenda

- Mayor's Message
- 2026 Operating Outlook
  - 5-Year Outlook
  - Cost to Continue Revenue & Expenditures Assumptions
  - Approach for 2026
- Budget Guidance
- Completing Proposals in Munis & Submitting Forms

# 2026 Operating Outlook

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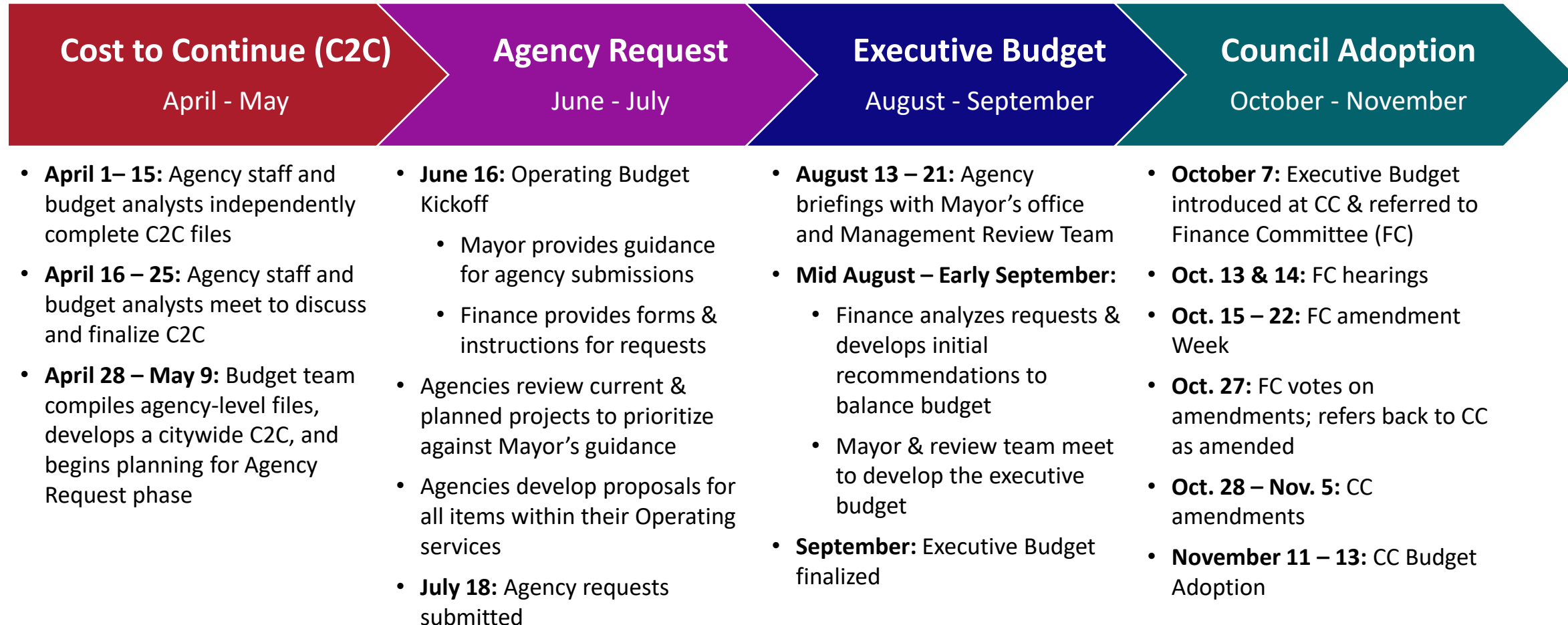
Budget Calendar; Cost to Continue Assumptions; Budget Gap

# Key Dates for 2026 Budget Development

	Capital	Operating
<b>Kick-Off Meeting</b>	Tuesday, March 18 11:00am	Monday, June 16 2:00pm
<b>Agency Requests Due</b>	Friday, April 18	Friday, July 18
<b>Agency Briefings with Mayor's Office</b>	May 14 & 16	August 13 – 21
<b>Executive Budget introduced to Common Council (CC)</b>	Tuesday, September 2	Tuesday, October 7
<b>Finance Committee (FC) Briefings</b>	September 8 – 9	October 13 – 14
<b>FC Amendment Meeting</b>	September 29	October 27
<b>CC Amendment Week</b>	October 27 – November 5	
<b>CC Budget Adoption Meetings</b>	November 11 – 13	

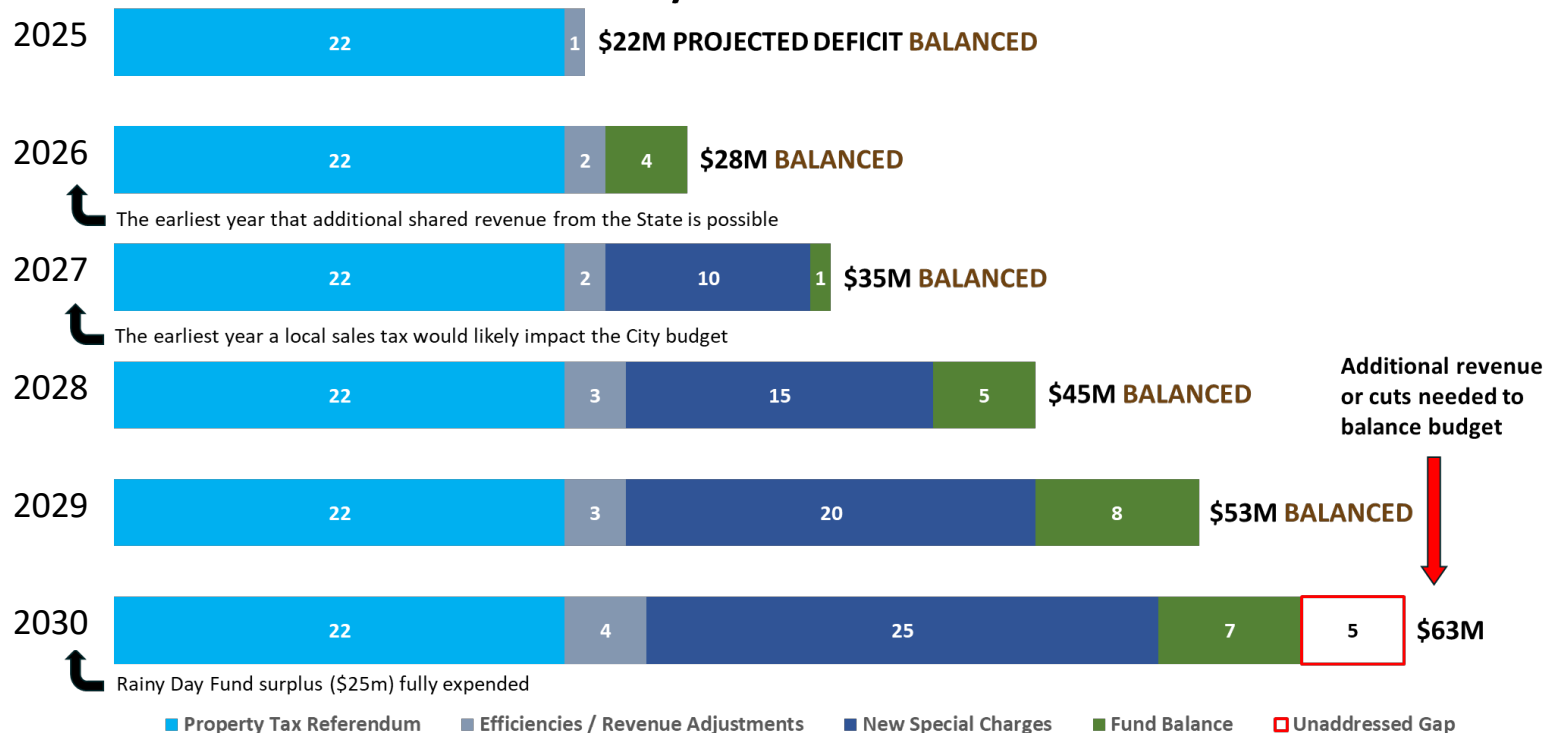


# Overview of Operating Budget Phases



# Five Year Outlook

## With A Referendum, Madison Can Avoid Significant Cuts or the Need for More Revenue for Another Five years



The 2025 Adopted Budget includes a 5-year plan to address future deficits.

- The referendum amount is fixed (\$22 million) so it will not grow with inflation or keep pace with increasing costs.
- Due to the structural nature of the deficit, this means a budget gap will reemerge in future budgets.
- Additional strategies will be needed to balance future budgets.
- The 5-year plan will be updated annually.

# Updating the City's 5-year operating plan

- The 2026 budget will include an updated 5-year plan.
- Department and division heads are encouraged to begin planning for mid- to long-range budget needs for their agencies. These plans should factor in agency workplans, long-range facilities plan, Results Madison service indicators, projected service needs due to population growth, and other considerations.
- Finance staff will engage with agencies on long-range planning later this year, but it will not be part of the official budget submission.

# 2026 Cost to Continue

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 2025 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 2025 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 2025 Adopted Budget
- Annualize partial year commitments
- Build in contractually required increases for purchased services
- Agency C2C determined through meetings between agencies and budget staff

# Current Budget Gap

## (General and Library Funds)

### Expenditures = \$456.3 million

Total expenses are \$23.8 million (5.5% ) higher than 2025 adopted budget. Major changes:

- + \$10.2m: Salary + benefits increases
- + \$6.5m: Metro subsidy increase
- + \$6.2m: Placeholder for GF Debt Service
- ~\$0.0m: Non-Personnel Costs. Increased funding for software (\$1.3m), library costs for shared services and revenue adjustments (\$470,000), and other increases, offset by removing \$2.0 million in one-time funds for CDD homeless services
- Totals above include cost of 2 additional elections (\$689,000 staffing and services)

### Revenues = \$450.1 million

Total revenues are \$17.6 million (4.1%) higher than the 2025 adopted budget. Assumptions:

- + \$13.9m: Levy increase
- + \$3.0m: Increase in interest earnings
- -\$0.5m: Decrease building permit revenue
- - \$0.8m: Removing one-time fund balance for unsheltered operations

**Gap = \$6.2 million**

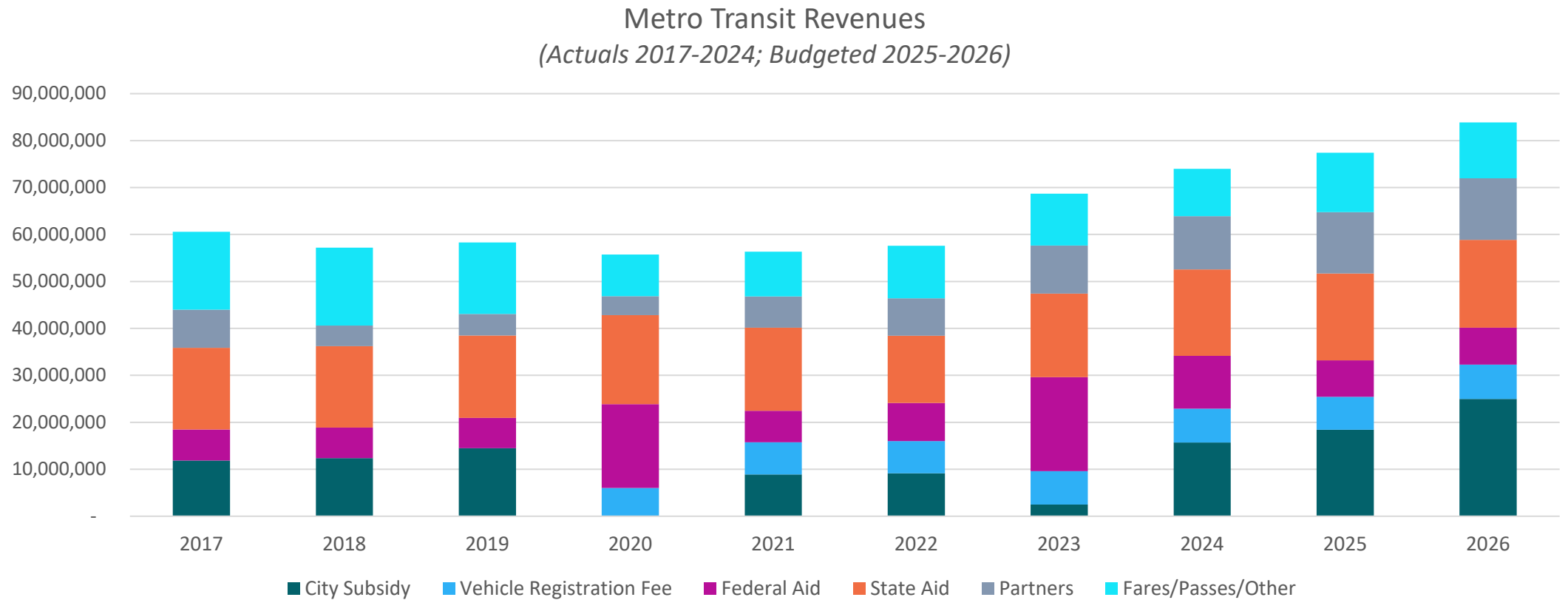
# Cost to Continue Adjustments: Expense Details(GF + Library)

Category	Assumptions
Personnel Costs	<p>\$10.2 million increase in salaries and benefits</p> <ul style="list-style-type: none"> <li>• \$4.2m increase in perm wages: 3% increase for GMEs and protective service based on negotiated agreements and Step/Longevity adjustments</li> <li>• \$509,000 increase in Clerk's Office: elections staffing</li> <li>• \$3.3m increase in health insurance: ETF average increase of 11.5% on local plans</li> <li>• \$1.1m increase in WRS: placeholder assumed 5% rate increase</li> <li>• \$800,000 reduction in compensated absence escrow: based on actual spending</li> <li>• \$728,000 adjustment to budget efficiencies (1% reduction required in prior years)</li> <li>• \$1.2m other adjustments for COLA increases to non-perm wages and benefits, adjustments to salary savings, other changes</li> </ul>
Elections	<ul style="list-style-type: none"> <li>• \$689,000 for elections-related expenses (\$509,000 staffing; \$180,000 non-personnel costs such as software, postage)</li> </ul>
Direct Appropriations	<ul style="list-style-type: none"> <li>• Adds \$6.2m placeholder for Debt Service</li> <li>• \$52,000 increase in consulting services for state liaison and PSC rate case</li> </ul>
Purchased Services	<ul style="list-style-type: none"> <li>• Adds \$1.3m in agencies for software costs (\$1.0m in IT, \$230,000 in Police, \$82,000 in CDD, \$40,000 in Engineering, \$25,000 in Finance)</li> <li>• Increased utility costs (electricity, stormwater) in multiple public works agencies (\$272,000)</li> <li>• Library: \$350,100 increase in Dane County contract, databases, annualizing Dream Bus operations</li> <li>• Removes \$2.0m in CDD related to one-time ARPA funding for unsheltered homeless support</li> </ul>

# Cost to Continue Adjustments: Other Adjustments(GF + Library)

Category	Assumptions
<b>General Fund Subsidies</b>	
Metro Subsidy	<ul style="list-style-type: none"> <li>Adds \$6.5m to Metro subsidy (2026 total: \$25.0 million)</li> <li>Reflects end of one-time federal funding for pandemic response</li> </ul>
PHMDC Subsidy	<ul style="list-style-type: none"> <li>Reduced by \$68,300 based on cost to continue and equalized value</li> </ul>
<b>Billings and Charges</b>	
Fleet Rate	<ul style="list-style-type: none"> <li>Fleet budget increased by \$1.8 million (2026 total = \$24.0 million) related to increased supplies and equipment (\$666,800), purchased services (\$335,300), personnel costs, and other adjustments</li> <li>\$1.5 million increase in GF billings</li> <li>Updated allocation methodology for ID charges to more accurately reflect assets and usage of fleet services</li> </ul>
Cost Allocation	<ul style="list-style-type: none"> <li>Updated plan increases billings to enterprise agencies by \$750,000, primarily due to higher IT costs</li> </ul>
Other billings and charges	<ul style="list-style-type: none"> <li>Insurance: increase total agency billings by \$1 million; GF impact of \$338,800</li> <li>Worker's Compensation: Decrease total agency billings by \$1 million; GF impact of -\$661,700</li> </ul>

# Context on Metro Transit Revenues





# Expenditure Restraint Incentive Program (ERIP)

- City qualifies for \$7 million in state aid if it keeps the increase in General Fund budget, excluding debt service, below the change in the Consumer Price Index (CPI) plus 60% of net new construction.
- Estimated growth limit for 2026 = 4 percent
- Cost-to-continue excluding debt service = \$381.6 million
- Maximum allowed to qualify for ERIP = \$380.6 million
- Anticipated re-estimates and other changes will be needed in executive/final 2026 budget to qualify for \$7 million ERIP payment.

# 2026 Budget Guidance

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Maintaining a Cost to Continue Budget

# 2026 Budget funds the cost to continue services without agency reductions

- 2026 will essentially be a cost to continue budget.
- Agencies will not have to submit reduction scenarios as part of their request.
- Baseline budget will continue a 3% average salary savings rate (All Funds).
- “Budget Efficiency” reduction for General, Library, and Fleet Funds will continue, but rate will be changed from -1% to -0.75%. This gives back agencies a 0.25% to have more flexibility in their budget.
- Supplemental requests allowed in extremely limited circumstances.

# How will the process compare to last year?

What's staying the same		What's new/ different
Operating	<ul style="list-style-type: none"><li>• Calendar: key dates fall in the same week as last year</li><li>• Proposal components: Main components of agency request will be the same (memo, service proposal, line-item budget)</li><li>• Proposal Forms will be submitted in network Common folder</li><li>• Mayoral Briefings will be Q&amp;A format, not a formal presentation</li></ul>	<ul style="list-style-type: none"><li>• No reduction proposals required</li><li>• No additional work related to Chart of Accounts/ Results Madison Service redesign</li><li>• 1% budget efficiency reduced to 0.75%; Agencies can reallocate 0.25% of their budget as needed</li><li>• Limited supplemental requests for specific scenarios</li></ul>

# Budget Guidance:

## 99.25% Base Budget (General, Library, Fleet)

- Agencies will receive a base budget consistent with the cost-to-continue current services.
- The budget target for all General, Library, and Fleet Fund agencies will be 99.25% of cost-to-continue levels. Base budgets include a 0.75% Budget Efficiencies Object that reduce net expenditures.
- Department heads will be expected to manage to the 99.25% budget throughout the 2026 fiscal year. Strategies to meet this target can include keeping vacant positions open longer and carefully reviewing supplies and purchased services spending.

*Note: The Object for Budget Efficiencies (51510) is within the Salaries Major. Agencies can manage savings through other accounts, but the amount will show up in salaries.*

# Budget Guidance:

## Cost to Continue Base Budget (Enterprise)

- All Enterprise Fund Agencies will submit operating budget plans consistent with current revenue projections for 2026.
- Agencies projecting revenue shortfalls for 2026 will need to present a base budget that includes expenditure reductions to meet available revenue.
- Proposed rate increases should be analyzed through an equity lens and consider resident ability to pay. If a rate increase is proposed, agencies will need to explain the components of the increase and what efforts have been made to reduce expenses before increasing rates.
- Those agencies that receive subsidies from other funds will need to carefully scrutinize and reduce spending levels where necessary, consistent with constraints on the funds providing the subsidy.

# Additional Context: Salary Savings

- “Salary Savings” is budgeting object used to reflect turnover and vacancies in an agency budget. All agencies, including enterprises, budget for salary savings.
- Salary Savings is calculated as a percentage of permanent wages and reduces an agency’s total budget target. Rate does not factor in savings in benefits from vacancies or additional costs from overtime/ hourly wages/ other costs for backfilling vacancies
  - Simple Example: Perm Wages = \$100,000 | Salary Savings Rate 3% = (\$3,000) | Total = \$97,000
- Actual underspending in permanent from 2021 – 2024 ranged from 4%-6%. Maintaining a 3% citywide average salary savings rate will recognize underspending and better align budgets with actuals.
- 2026 will continue the tiered rate structure introduced in the 2024 budget
  - 1 – 19 FTEs = 0%
  - 20 – 49 FTEs = 0.5%
  - 50 – 99 FTEs = 1.0%
  - 100 – 199 FTEs = 3.0%
  - 200+ FTEs = 4.0%

# Additional Context: Budget Efficiencies

- The 2024 budget introduced a 1% “budget efficiency” – across the board reduction for all general/ library/ fleet fund agencies.
- The 1% cut was based on underspending trends from 2019-2022 (3.2% average).
- Actual agency underspending in 2024 was 1.6%. The increased salary savings rate and 1% efficiency appear to have helped calibrate agency budgets to actual spending; Finance will continue to monitor in 2025.
- 2026 Budget will give agencies back 0.25% to provide additional flexibility in budget.

Year	Actual	Revised Budget	Available Budget	% Unspent
2019	\$249,819,253	\$254,894,822	\$5,075,569	2.0%
2020	\$261,819,133	\$271,125,004	\$9,305,872	3.4%
2021	\$264,680,220	\$274,863,562	\$10,183,341	3.7%
2022	\$272,543,589	\$283,154,789	\$10,609,245	3.7%
2023	\$287,163,231	\$296,076,783	\$8,912,026	3.0%
2024	\$305,355,649	\$310,256,851	\$4,901,202	1.6%



# 99.25% Budget Example

Cost to Continue Budget:	
Agency Revenues	(25,000)
Salaries	735,000
Benefits	190,000
Supplies	15,000
Purchased Services	50,000
Inter-D Charges	35,000
Total	1,000,000

99.25% Budget:	
Agency Revenues	(25,000)
Salaries	735,000
-1.0% Efficiency	(10,000)
+0.25%	2,500
Benefits	190,000
Supplies	15,000
Purchased Services	50,000
Inter-D Charges	35,000
Total	992,500



- 2 detail entry lines that total 0.75%
- Agencies can keep the additional 0.25% in salaries (to reduce the salary savings rate) or reallocate to another major
- See Munis instructions for how to reallocate using Detail Entry



- Agencies will be expected to manage to 99.25% bottom line target
- Agencies can meet target through multiple strategies (e.g. hold positions vacant to increase salary savings, manage non-personnel costs)

# Budget Guidance:

## Reallocations and Other Charges - All Funds

- Agencies may reallocate funding across services so long as the changes are net neutral and do not increase the agency's overall expenditures.
- Agencies are encouraged to scrutinize their activities and use available data on services to prioritize funding. This includes examining whether there are programs or activities that can be phased out due to shifting needs.
- Agencies cannot propose changes to centrally calculated salary savings and interdepartmental billings & charges (e.g. building use, fleet, insurance, workers compensation, and cost allocation plan charges). Additionally, agencies cannot propose new revenues that result from charging other agencies. Proposals to shift costs to other funding sources must be sustainable.

*Note: Although net neutral changes are allowed, the following changes will require additional explanation in the Proposal form: 1) reallocations of \$10,000 or more at the Service or Major level and 2) personnel changes.*

# Additional Context: Service & Major

Service & Major are defined by the Chart of Accounts

- A **Service** is an activity or set of activities performed by an agency that has **identifiable costs for budgetary purposes** and **a clear purpose with measurable objectives**.
- A **Major** is a set of like accounts defining the nature of revenues or expenditures. Majors have a 2 digit numerical code ("Character Code"). Every major is composed of **Objects** that further define the account.

## Service Example: Finance

Agency = Finance (15)

Services:

- Accounting (151)
- Budget (152)
- Risk Management (153)
- Administrative Support (154)
- Treasury (155)
- Internal Audit & Grants (156)

## Revenue Majors

41 - GENERAL REVENUES  
42 - INTERGOV REVENUES  
43 - CHARGES FOR SERVICES  
44 - LICENSES AND PERMITS  
45 - FINE FORFEITURE ASMT  
46 - INVEST OTHER CONTRIB  
47 - MISC REVENUE  
48 - OTHER FINANCE SOURCE  
49 - TRANSFER IN

## Expense Majors

51 - SALARIES  
52 - BENEFITS  
53 - SUPPLIES  
54 - PURCHASED SERVICES  
56 - DEBT OTHR FINANCING  
57 - INTER DEPART CHARGES  
58 - INTER DEPART BILLING  
59 - TRANSFER OUT

# Major/ Service Reallocation Examples

In the Word Doc Proposal Form, agencies will be asked to explain changes of \$10,000 or more at the Service and/or Major level, even if the change is net neutral.

Scenario	Example	Proposal Requirements
Same Service, Different Major	Budget (152) / Purchased Services (54*) → Budget (152) / Supplies (53*)	Allowable if net neutral.
Different Service, Same Major	Risk Management (153) / Supplies (53*)→ Accounting (151) / Supplies (53*)	Must provide additional description in Word Doc Proposal Form if change is \$10,000 or more at either Service or Major level.
Different Service, Different Major	Budget (152) / Purchased Services (54*) → Accounting (151) / Supplies (53*)	
Objects within a Major and Service	Budget (152) / Purchased Services (54*): <i>Decrease Object [Consulting Services (54645)] by \$15,000</i> <i>Increase Object [System and Software Maint (54335)] by \$15,000</i> <i>Net change within Major &amp; Purchased Services of \$0</i>	Allowable to move funds across objects.  Additional information not required if changes are within a Major and Service.

# Budget Guidance:

## Personnel Requests (All Funds)

- All requests for personnel reclassifications (except for standard career ladders) must be detailed in the budget proposal forms, even if net neutral. Agencies **must** discuss proposed reclassifications/ position recreations with their HR analyst prior to submitting a budget request.
- Changes resulting in a new classification must include a draft position description.
- Agencies may propose changes to the total number of FTEs. For general/ library/ fleet fund agencies, proposed changes in FTEs must be net neutral to the target budget (for example, adding a position by reducing other expenses). For Enterprise funds, proposed changes in FTEs must be supported by agency revenues.
- Agencies may submit changes to payroll allocations as part of their budget. These changes do not require HR review.

# Budget Guidance:

## Supplemental Requests

- The 2026 budget will have limited capacity to fund supplemental budget requests.
- Agencies may submit a supplemental request if they meet one of the following criteria:
  - 1) funding operating expenses for a new City facility that is not included in the base budget, or
  - 2) funding ongoing costs associated with one-time revenues that will no longer be available.

# Budget Guidance:

## Other Considerations

### Citywide Priorities

- Agency requests should be aligned with citywide priorities, including racial equity, social justice, and sustainability. Department heads are encouraged to engage department equity teams to think about how to advance equity goals within your base budget. If you have questions regarding sustainability measures, they can be directed to our sustainability staff.
- *Tip: Refer to Equity in the Budget guide on [Employee.net](#).*

### Creativity and Innovation

- Be creative in developing proposals to reduce the cost of service delivery. Consider ways to work across agencies and collaborate with others to create cost-saving efficiencies. If you have ideas for inter-agency coordination that do not fit directly within your budget, contact your budget analyst to discuss options.
- *Tip: For agencies that have completed the Results Madison data engagement, examine your service indicators and agency data to find opportunities for innovation.*

# Completing Proposals Forms and Munis Data Entry

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Instructions for Completing Budget Proposal Components; Demonstrations



# Proposal Components

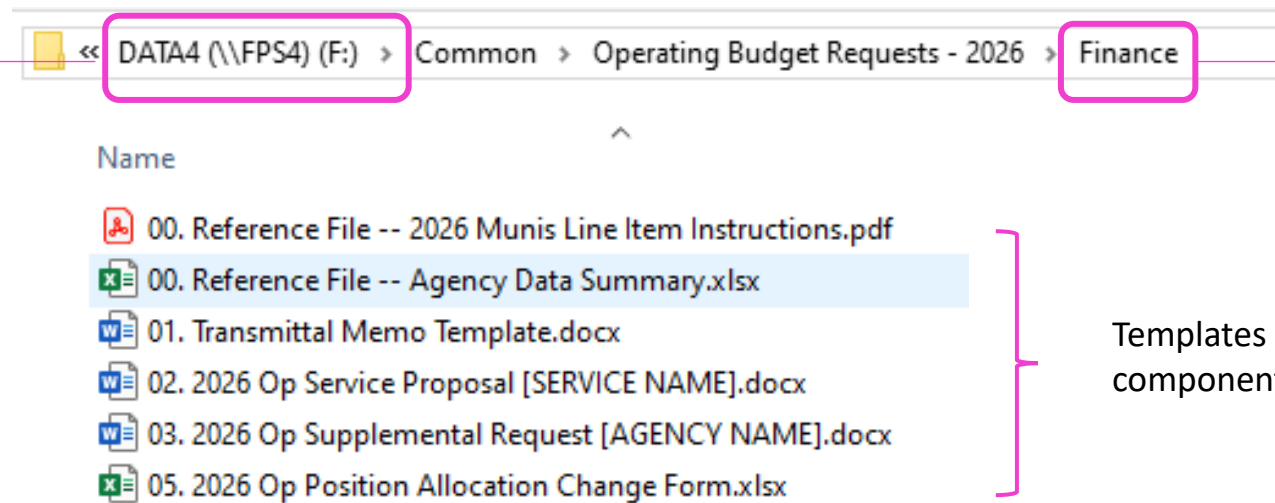
	1. Transmittal Memo	2. Service-Level Proposals	3. Supplemental Request Form (if applicable)	4. Line-Item Budget	5. Position Allocations (if applicable)
<b>Description &amp; Purpose</b>	<ul style="list-style-type: none"> <li>Memo drafted from Agency Head to Mayor</li> <li>Outlines agency priorities and strategies for meeting budget target</li> </ul>	<ul style="list-style-type: none"> <li>Base budget proposal by Service and Major</li> <li>Describes activities performed by service and proposed changes</li> </ul>	<ul style="list-style-type: none"> <li>Allowable in very limited circumstances; see instructions for details</li> </ul>	<ul style="list-style-type: none"> <li>Line-item budget for each Service</li> <li>Provides details at the object-level for all expenses and revenues</li> </ul>	<ul style="list-style-type: none"> <li>Request changes to position allocations (if needed)</li> </ul>
<b>How to Submit</b>	<ul style="list-style-type: none"> <li><b>F:Drive:</b> Upload to Agency folder in Common Drive</li> </ul>	<ul style="list-style-type: none"> <li><b>F:Drive:</b> Upload to Agency folder in Common Drive</li> </ul>	<ul style="list-style-type: none"> <li><b>F:Drive:</b> Upload to Agency folder in Common Drive</li> </ul>	<ul style="list-style-type: none"> <li><b>Munis:</b> Enter details in “Central Budget” module of Munis</li> </ul>	<ul style="list-style-type: none"> <li><b>F:Drive:</b> Upload to Agency folder in Common Drive</li> </ul>
<b>Format</b>	<ul style="list-style-type: none"> <li>Template provided by Finance</li> <li>Final version on agency letterhead in memo format</li> </ul>	<ul style="list-style-type: none"> <li>Word doc proposal form (1 per Service)</li> </ul>	<ul style="list-style-type: none"> <li>Word doc proposal form</li> </ul>	<ul style="list-style-type: none"> <li>Agencies enter proposed changes by account (Org Code – Object)</li> </ul>	<ul style="list-style-type: none"> <li>Template provided by Finance</li> <li>Agencies complete and upload as needed</li> </ul>
<b>Deadline</b>	<ul style="list-style-type: none"> <li>Due end of day Friday, July 18, 2025</li> </ul>				

REMINDER: Budget requests are public documents. Be sure to spellcheck & proofread documents and ensure your request accurately reflects your plans.

# Where to find budget materials

File path will depend on which server you have access to (fps1, fps2, fps4)

Regardless of server, you will be able to navigate to “Operating Budget Requests - 2026” folder by going to Common Drive



Navigate to your agency's folder. Be careful to only edit your agency files.

Templates and forms for each component will be saved to F: Drive

# Component 1: Transmittal Memo

	1. Transmittal Memo
Description & Purpose	<ul style="list-style-type: none"><li>• Memo drafted from Agency Head to Mayor</li><li>• Outlines agency priorities and strategies for meeting budget target</li></ul>
How to Submit	<ul style="list-style-type: none"><li>• <b>F:Drive:</b> Upload to Agency folder in Common Drive</li></ul>
Format	<ul style="list-style-type: none"><li>• Template provided by Finance</li><li>• Final version on agency letterhead in memo format</li></ul>
Deadline	<ul style="list-style-type: none"><li>• Due end of day Friday, July 18, 2025</li></ul>

## Instructions for Completing the Memo

- Download template and respond to prompts
- Submit by uploading final draft to F: Drive

# Component 2: Service-Level Proposal

	2. Service-Level Proposals
<b>Description &amp; Purpose</b>	<ul style="list-style-type: none"> <li>• Base budget proposal by Service and Major</li> <li>• Describes activities performed by service and proposed changes</li> </ul>
<b>How to Submit</b>	<ul style="list-style-type: none"> <li>• <b>F:Drive:</b> Upload to Agency folder in Common Drive</li> </ul>
<b>Format</b>	<ul style="list-style-type: none"> <li>• Word doc proposal form (1 per Service)</li> </ul>
<b>Deadline</b>	<ul style="list-style-type: none"> <li>• Due end of day Friday, July 18, 2025</li> </ul>

## Instructions for Completing Proposal Forms

### Excel Data File

- Excel Data Summary is a tool to review your agency changes.
- Report has a 1 day lag from Munis

### Word Doc Proposal Form

- Submit one Word Doc form per Service. Submit by saving a copy in the F: Drive

### ☒ DO

- Enter your Munis line-item budget early and refresh Excel file to review
- Save a local copy of Word Doc proposal forms to make edits; upload final drafts to Common Drive

### ☒ DON'T

- Do not wait until the last week to start your requests
- Do not rename folders
- Do not go into other agency folders

# Component 3: Supplemental Request

	3. Supplemental Request Form (if applicable)
Description & Purpose	<ul style="list-style-type: none"><li>Allowable in very limited circumstances; see instructions for details</li></ul>
How to Submit	<ul style="list-style-type: none"><li><b>F:Drive:</b> Upload to Agency folder in Common Drive</li></ul>
Format	<ul style="list-style-type: none"><li>Word doc proposal form</li></ul>
Deadline	<ul style="list-style-type: none"><li>Due end of day Friday, July 18, 2025</li></ul>

## Instructions for Completing Supplemental Request Form

### Word Doc Proposal Form

- Requests must meet specified parameters.
- Submit supplemental Word Doc with complete justification for request.

# Component 4: Line Item Budget

	3. Line Item Budget
Description & Purpose	<ul style="list-style-type: none"><li>Line-item budget for each Service</li><li>Provides details at the object-level for all expenses and revenues</li></ul>
How to Submit	<ul style="list-style-type: none"><li><b>Munis:</b> Enter details in “Central Budget” module of Munis</li></ul>
Format	<ul style="list-style-type: none"><li>Agencies enter proposed changes by account (Org Code – Object)</li></ul>
Deadline	<ul style="list-style-type: none"><li>Due end of day Friday, July 18, 2025</li></ul>

## Instructions for Completing Line Item Budget Entry

- Go to “Central Budget Entry” module in Munis
- Projection 20261: Annual Funds (Default)
  - Base budget built on cost to continue assumptions, using 2025 adopted budget as a baseline
  - Enterprise funds should net to zero
- Projection 20262: Multi-Year Funds
  - Used to budget expenditures in the City’s grant fund (Fund 1220) and CDBG fund (Fund 1205)
  - Expenses and revenues should net to zero
- Projection 20264: Restricted Fund
  - Used to budget expenditures in the City’s restricted fund (Fund 1250)
  - Expenses and revenues should net to zero
- Step-by-step instructions for entering the Munis Line-Item budget posted on Employeeenet

# Component 5: Position Allocation Forms

	4. Position Allocation Forms
Description & Purpose	<ul style="list-style-type: none"><li>Request changes to position allocations (if needed)</li></ul>
How to Submit	<ul style="list-style-type: none"><li><b>F:Drive:</b> Upload to Agency folder in Common Drive</li></ul>
Format	<ul style="list-style-type: none"><li>Template provided by Finance</li><li>Agencies complete and upload as needed</li></ul>
Deadline	<ul style="list-style-type: none"><li>Due end of day Friday, July 18, 2025</li></ul>

## Instructions for Completing Position Allocation Form

- Complete the Excel file if you plan to 1) change the existing allocation code percentages of a position; 2) create a new allocation code on an existing position; 3) change an organization code; or 4) make another type of change
- Be sure to include position #, authorized FTE level, job class code, allocation amounts, and other required fields
- Requested changes must be accommodated within your budget target
- Submit by uploading to “Agency Operating Materials Folder”

# Mayoral Briefing Q&A

- Draft schedule for briefings with the Mayor’s Office and Review Team is below; slide will be sent to agencies
- Confirm availability to your budget analyst by Friday, June 27
- Each agency will have approximately 20 minutes; briefings will be a question-and-answer format (no presentations)
- Questions received from the Review Team will be forwarded to the agency at least 1 day before the scheduled briefing

Day	Date	Time	Agencies
Wednesday	8/13/2025	10:00am – 12:00pm	<b>Functional Area(s):</b> Public Works <b>Agencies:</b> Engineering (+ Landfill, Sewer, Stormwater), Fleet, Parks (+ Golf), Streets, Water
Thursday	8/14/2025	1:00pm – 3:00pm	<b>Functional Area(s):</b> Public Health/ Public Safety <b>Agencies:</b> Fire, OIM, Police, Public Health
Friday	8/15/2025	10:00am – 12:00pm	<b>Functional Area(s):</b> Public Facilities/ Week 1 Overflow <b>Agencies:</b> Library, Monona Terrace (+ Room Tax), Flex time for rescheduling requests
Tuesday	8/19/2025	9:00am – 11:00am	<b>Functional Area(s):</b> Admin/ General Government <b>Agencies:</b> Municipal Court, Assessor, Attorney, Civil Rights, Clerk, EAP, Finance, HR, IT
Wednesday	8/20/2025	10:00am – 12:00pm	<b>Functional Area(s):</b> PCED <b>Agencies:</b> BI, CDA Housing and Redevelopment, CDD, EDD, PCED Office of Director, Planning
Thursday	8/21/2025	12:00pm – 2:00pm	<b>Functional Area(s):</b> Transportation/ Week 2 Overflow <b>Agencies:</b> Metro, Parking, TE, Transportation, Flex time for rescheduling requests



# Operating Budget: Technical Assistance

- Budget Analysts are available to assist agencies in completing budget submission deliverables ([current budget analyst assignments](#))