

2025 Community Development Division Budget Overview

July 1, 2024– City County Homeless Issues Committee



Current Budget Gap

(General and Library Funds)

Expenditures = \$431.4 million

Total expenses are \$26.0 million (6.4%) higher than 2024 adopted budget. Major changes:

- + \$14.5m: Salary + benefits increases
- + \$2.7m: Metro subsidy increase
- +\$500k: PHMDC subsidy
- + \$5m: Placeholder for GF Debt Service
- + \$1.47m: Citywide Purchased Services increases for technology costs (software maintenance contracts, PCI compliance, and credit card processing fees)
- - \$1.22m: Adjusts expenses for odd-year election cycle

Revenues = \$409.4 million

Total revenues are \$4.0 million higher than the 2024 adopted budget. Assumptions:

- + \$12.6m: Levy increase
- + \$6.0m: Increase in interest earnings
- + \$1.0m: Increase in ambulance conveyance fees
- - \$17.9m: Removing one-time sources (\$9.2m fund balance, \$5.6m ARPA, \$3.1m TID)

Gap = \$22.0 million

What has the City done so far?

Madison has faced a budget deficit **every year** since the State imposed strict levy limits in 2011. The problem is bigger in 2025 than before because of the lasting impacts of the pandemic and end of federal recovery funds. Some of the major actions taken to balance the budget include:

- **Employee compensation** – increased employee contributions to police and fire pensions and health insurance for all employees.
- **Spending cuts** – \$6 million in reductions in 2024 budget
- **Room tax** – rate increase from 9% to 10% in 2018 (only 30% can be used for general purposes)
- **Ambulance fees** – multiple rate increases since 2011
- **Vehicle Registration Fee** -- \$40 fee established in 2020 to help fund City's contribution to transit operations.
- **Special Charges** – created to pay for urban forestry and resource recovery (recycling)
- **American Rescue Plan Act (ARPA)** – one-time funding to help maintain current service levels during COVID pandemic.
- **“Rainy Day” Fund** – one-time funding to help maintain current service levels

Council Guidance on 2025 Budget

Legistar 82456, adopted April 16, 2024

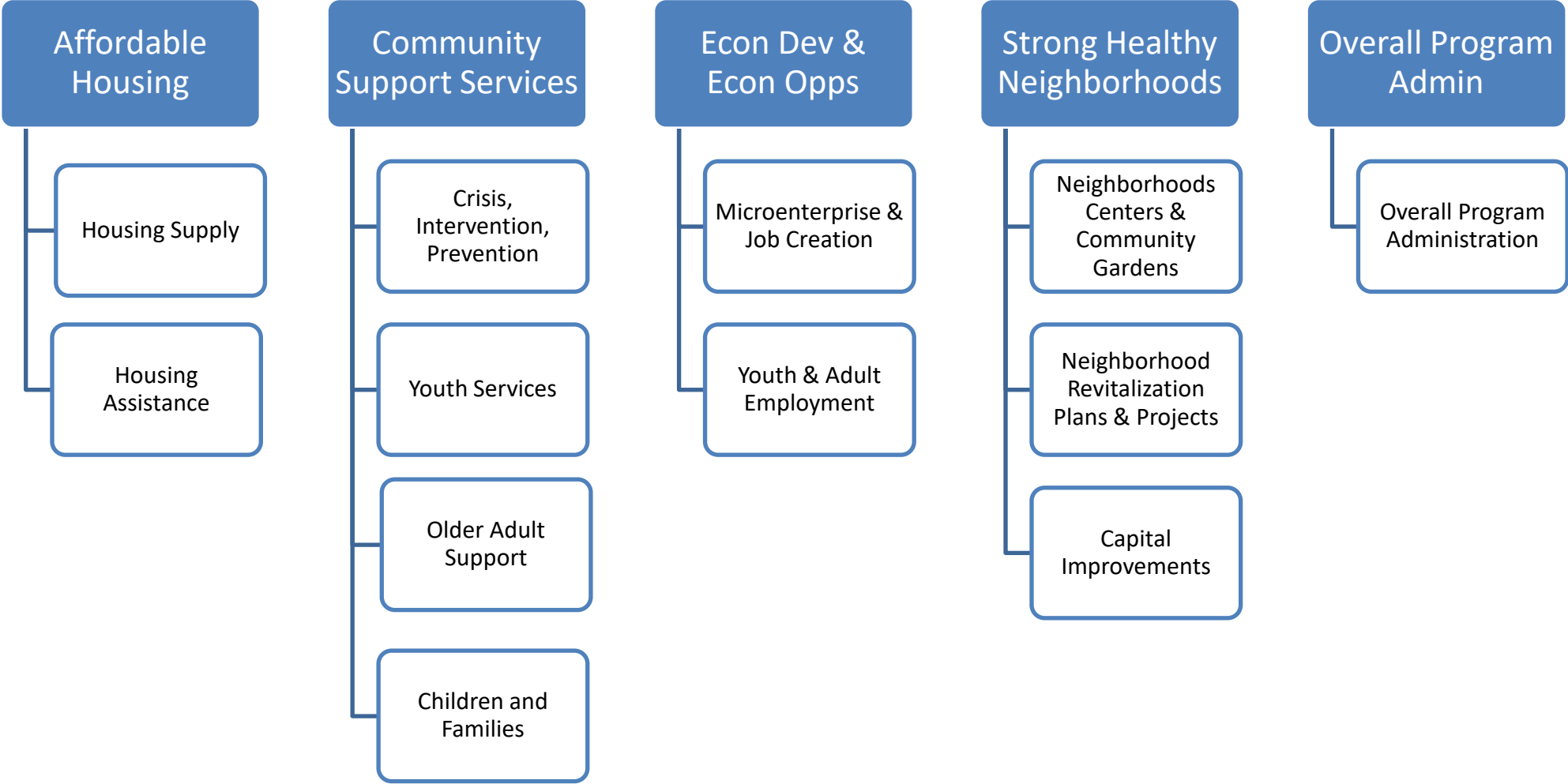
Values and Priorities

1. Maintaining services to residents
2. Preventing layoffs or furloughs of city staff.
3. Maintaining wage parity for general municipal employees
4. Meeting the needs of a growing city.
5. Choosing the most progressive revenue options that consider housing affordability.

Guidance on Developing 2025 Budget

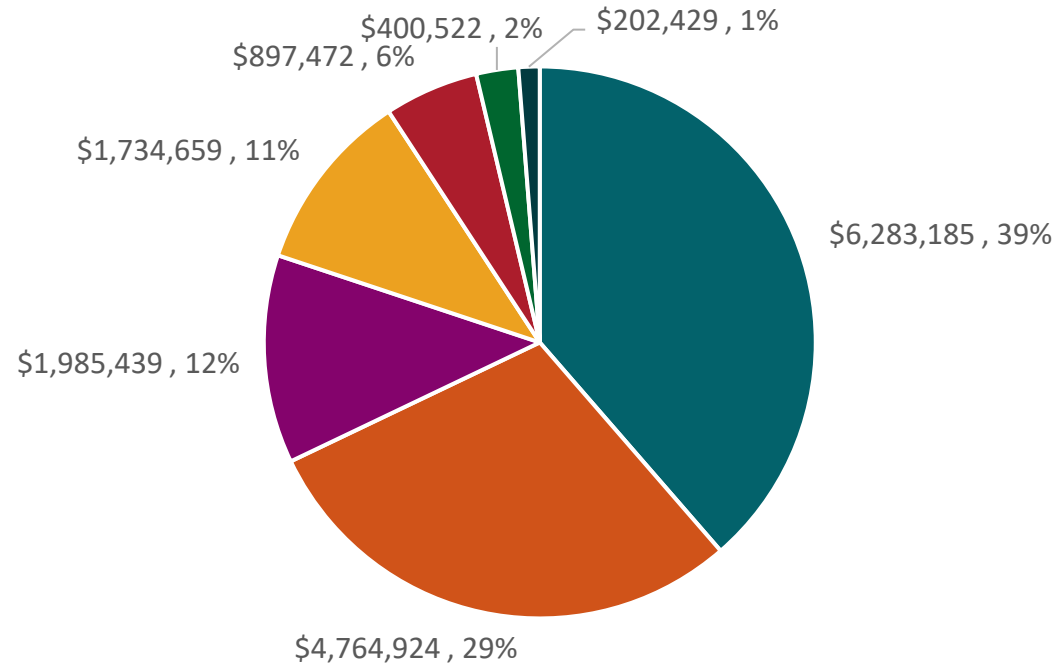
1. Evaluate service levels, staffing and fiscal impact.
2. Seek ways to increase efficiencies in operations.
3. Explore a reduction in expenditures from cost-to-continue levels that does not compromise services to residents.
4. Develop referendum language to increase property tax to meet some or all of deficit, as well as options to replace existing non-property tax revenues.
5. Prepare options other than property tax, including special charges
6. Develop a multi-year plan, including options for new, or increasing existing, fees and charges.
7. Consider the level of overall general obligation borrowing in 2025 capital budget to reduce rate of growth in property taxes
8. Develop a community engagement plan to educate the public.

2024 CDD Operating Budget Service Structure



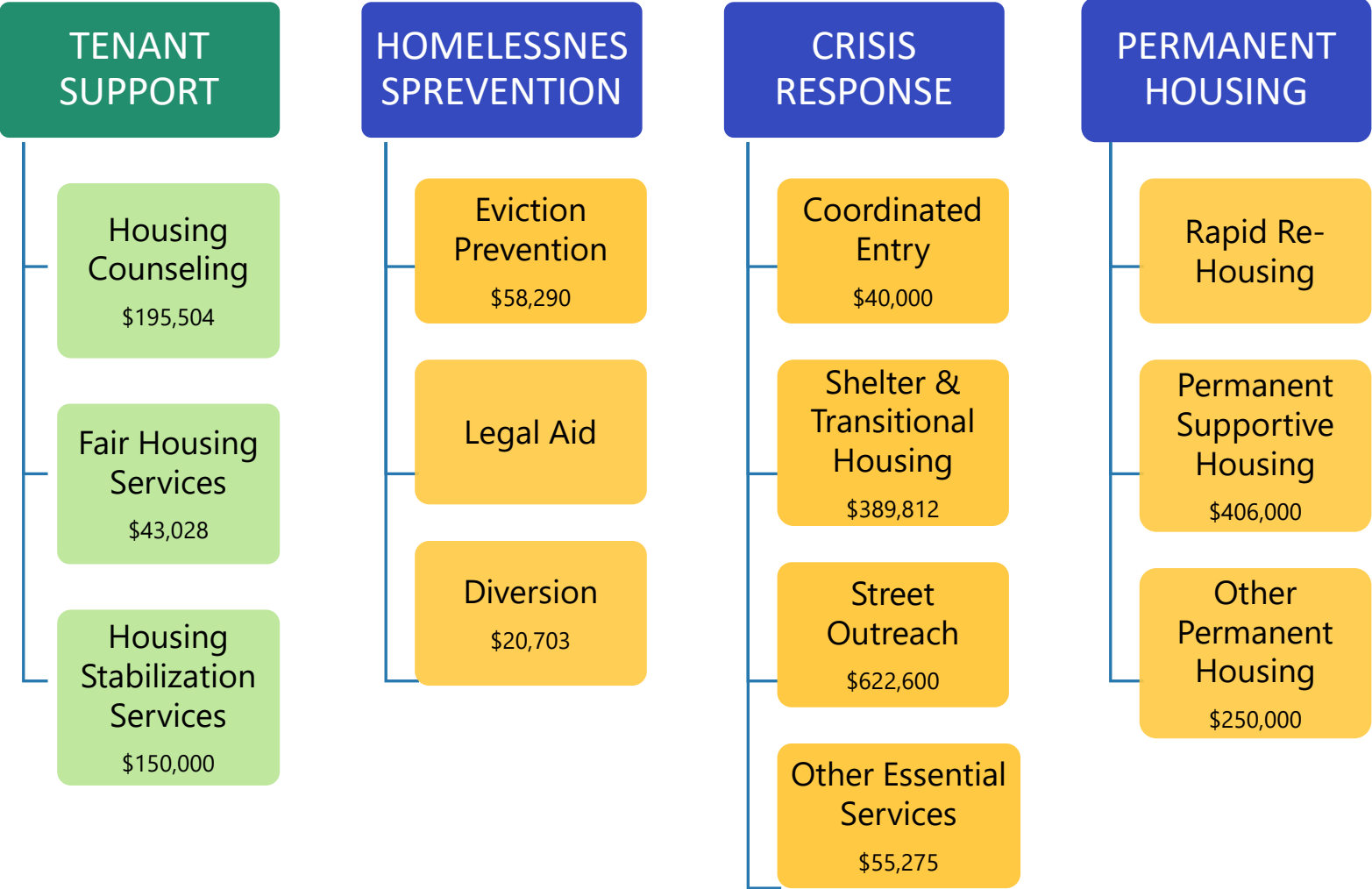
Homeless Service Funding Partners

2024 Homeless Services Funding
(**without** federal COVID Funds)



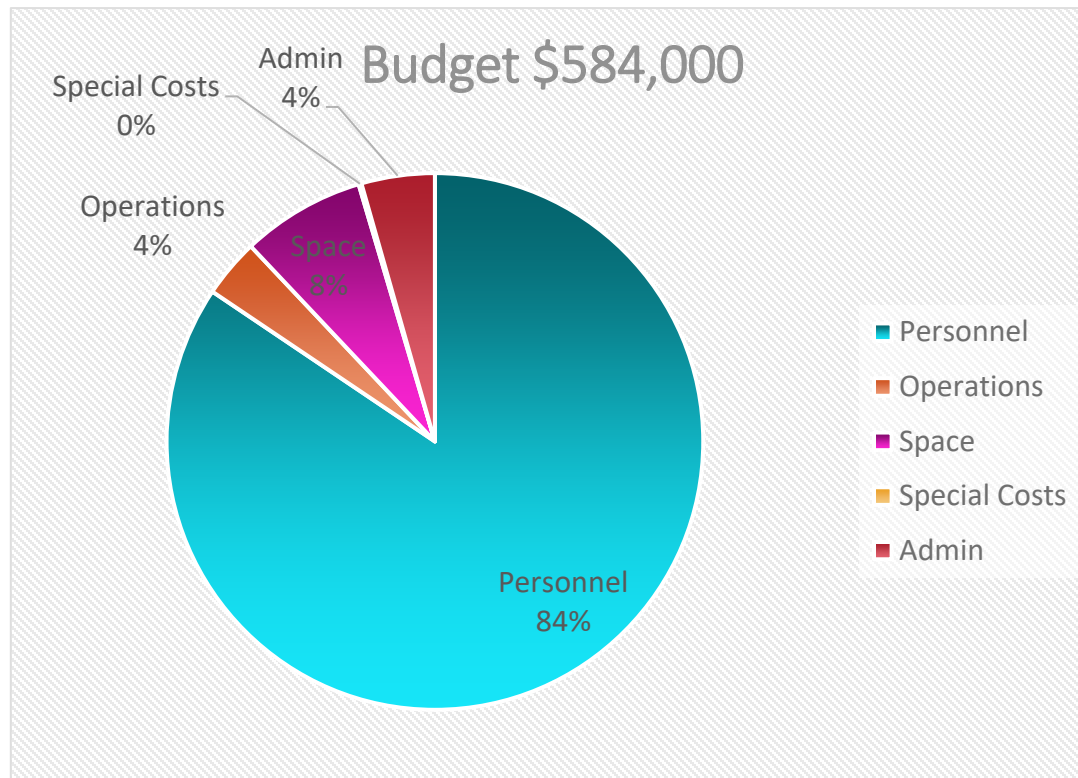
■ HUD Continuum of Care ■ Dane County GPR ■ City of Madison- Levy ■ United Way of Dane County ■ State EHH ■ FEMA ■ City of Madison ESG

Tenant Support and Homeless Services System

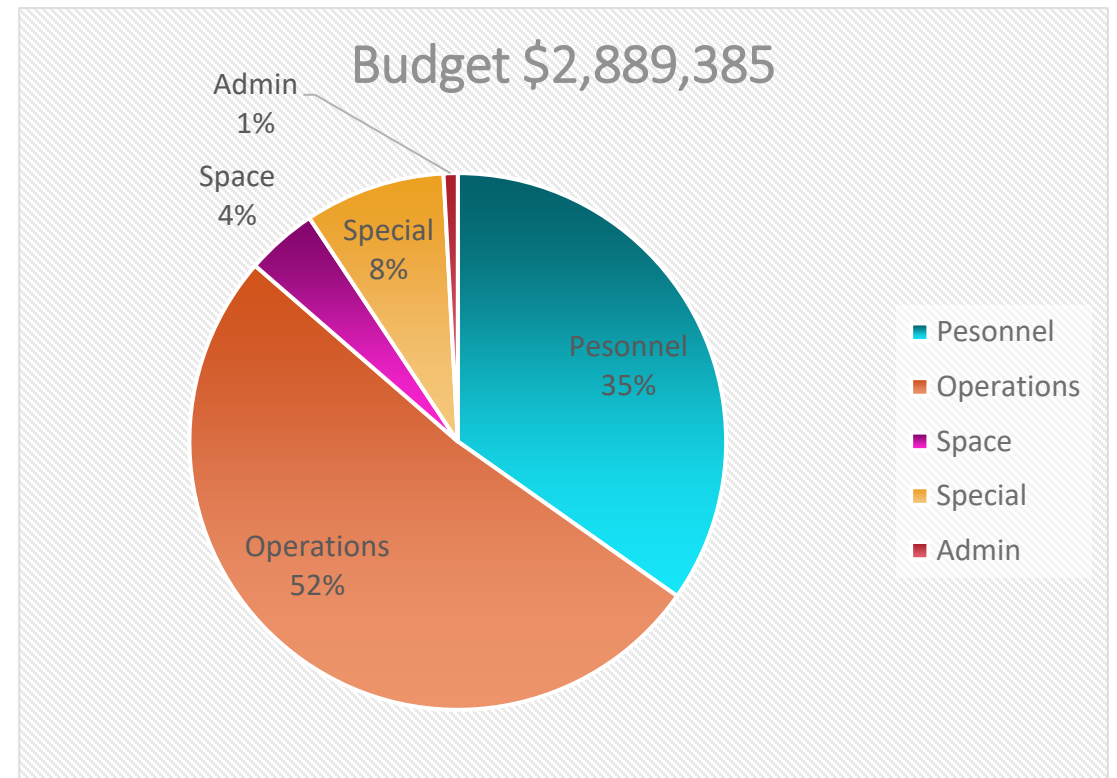


Budget Considerations for Shelter

2019 Expenses (pre-pandemic)



2024 Expenses





Funded with Federal Emergency Rental Assistance



TRC's Eviction Diversion and Defense Partnership aims to improve housing stability for Dane County tenants by providing housing support, housing counseling, court navigation, mediation services, and rental assistance.

Tenants whose housing stability is at risk referred to partner attorneys who provide free legal representation.

More Information:

<https://eddp.tenantresourcecenter.org/>



Funded with Federal Emergency Rental Assistance



Households Served To Date: 1,601

Total Direct Assistance Disbursed To Date: \$11,574,544

Emergency Rental Assistance Funds- Must be fully
disbursed by September 30, 2025

CDD Capital Budget Submission

- **Affordable Housing- Development Projects (\$14.5M)**

- Continues support of the Affordable Housing Fund (AHF), enabling CDD to respond to a broader range of development opportunities that emerge within the City. This work will provide the greatest long-term benefit for the greatest number of people.

- **Affordable Housing – Consumer Lending (\$3.2M)**

- Continues support for loan programs designed to help households gain and maintain home ownership (with particular emphasis on reaching households of color) and undertake needed repairs and improvements to existing rental housing stock.

- **Community Facilities Loan (CFL) Program (\$1M)**

- Continues support for a loan program offered to community partners to help finance non-residential capital improvement projects that provide public benefit.

- **Child Care Capital Access Program (\$250,000)**

- Continues support for providers of early child care services to help them finance capital improvements that are likely to expand the number of children (from birth to age 5) they are able to serve.

Key Dates for 2025 Budget Development

	Capital	Operating
Kick-Off Meeting	Tuesday, March 19 11:00am	Monday, June 17 1:00pm
Agency Requests Due	Friday, April 19	Friday, July 19
Agency Briefings with Mayor's Office	May 8 – 17	August 12 – 14
Executive Budget introduced to Common Council (CC)	Tuesday, September 10	Tuesday, October 8
Finance Committee (FC) Briefings	September 16 – 17	October 14 – 15
FC Amendment Meeting	September 30	October 28
CC Amendment Week		October 29 – November 6
CC Budget Adoption Meetings		November 12 – 14

More Information on City Budget

Please go to City of Madison
Finance Department:

<https://www.cityofmadison.com/finance/budget/2025>

The screenshot shows the City of Madison Finance Department website. The header includes the City of Madison logo and the name of the Finance Director, David Schmiedicke. The navigation menu includes Treasury, Budget, Purchasing, Accounting, Risk Management, Data & Innovation, and Contact. The main content area is titled "2025 Budget" and features a "Budget Outlook" section with a button for "Information Series on Budget". Below this, there are sections for "Capital Budget" and "Operating Budget", each with a "Budget Kickoff PDF" and "Agency Requests" link, along with their respective dates.

Budget	
2025 Budget	-
2025 Budget Outlook	
2025 Capital Budget	
2025 Operating Budget	
2024 Budget	+
2023 Budget	+
2022 Budget	+
American Rescue Plan Act (ARPA)	
Past Budgets	+

2025 Budget
Budget Outlook
Information Series on Budget

Capital Budget
Budget Kickoff PDF March 19, 2024
Agency Requests April 19, 2024

Operating Budget
Budget Kickoff PDF June 17, 2024
Agency Requests July 19, 2024