



# Budget Overview

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# Budget Overview

- The budget is divided between the Operating Budget and the Capital Budget.
- The Operating Budget funds expenses like staff, operating costs, contractual costs, etc. on-going activities in departments.
- The Operating Budget is funded from a wide variety of sources such as intergovernmental revenues, grants, fees, property taxes and sales tax.



# Budget Overview

- The Capital Budget funds one-time projects.
- Examples are: the jail consolidation project, vehicles and equipment, building remodeling, highway construction and major technology upgrades.
- The Capital Budget is primarily funded with the proceeds of debt issued by the County.



# Budget Overview

- Debt is generally issued in September of each year.
- The County is rated AAA by Standard & Poor's.
- At the end of 2025, the county had \$835.75 million of debt outstanding.



# Budget Overview

- **May/June**-Executive Distributes Budget Guidelines to Departments
- **June-July**-Departments Prepare Budget Requests
- **July-August**-Administration and County Executive Review Budget Requests. Copies of requests available in Co. Bd. Office.



# Budget Overview

- **August-September**-County Executive Prepares Annual Budget
- **September**-Departmental Budget hearing before the County Board.
- **October 1**-County Executive Releases Budget
- **October 1**-Operating and Capital Budget Resolutions Introduced. Public hearing on Executive budget held before the Board.



# Budget Overview

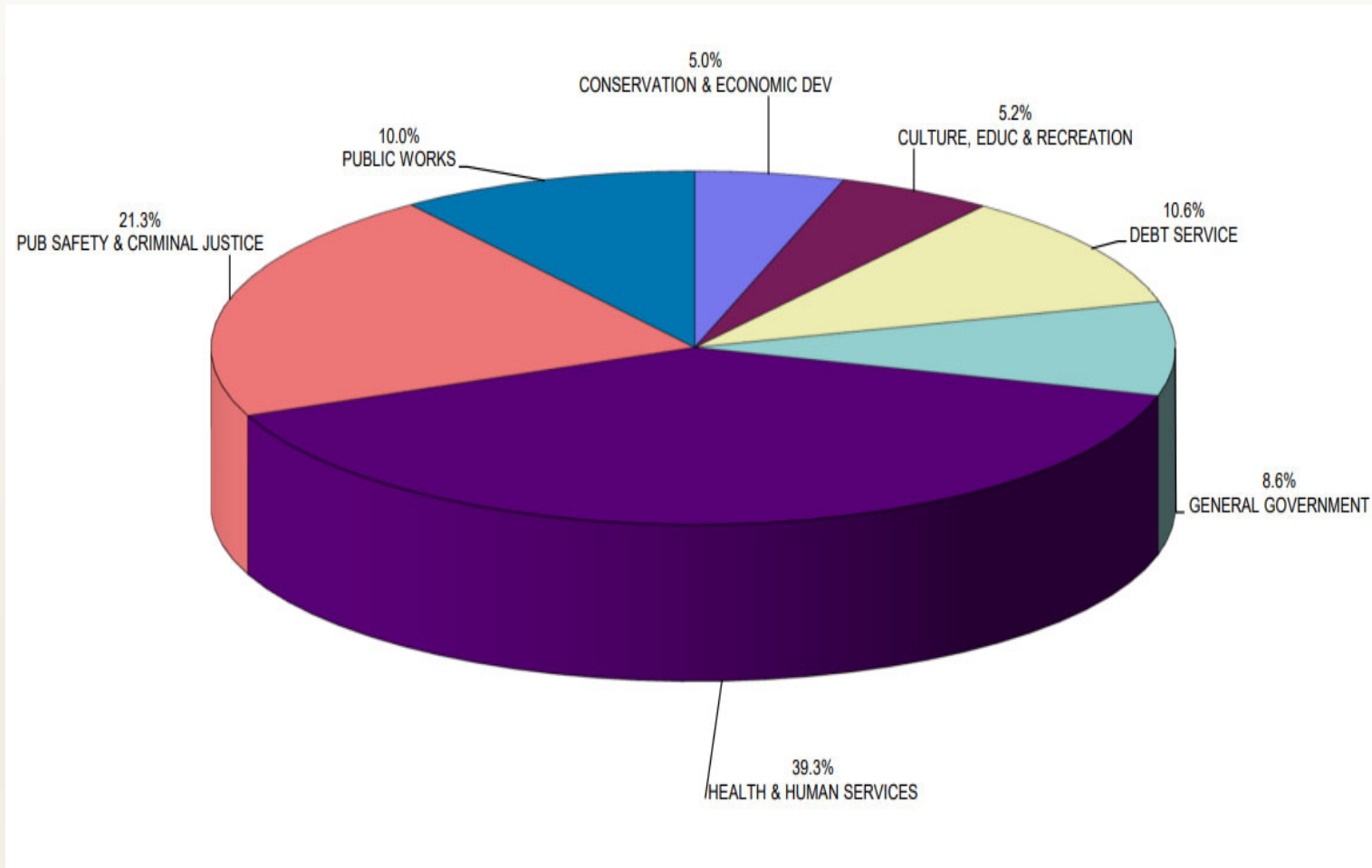
- **October**-County Board Committees Review and Amend Executive Budget.
- **Late October**-Personnel and Finance Committee makes recommendation on operating and capital budget resolutions to the County Board.
- **Early November**-County Board Adopts Operating and Capital Budget Resolutions and Sets Tax Levy



# 2026 Adopted Operating Budget Expenditures by Activity

General Government	\$71,242,997
Public Safety & Criminal Justice	\$175,934,425
Health & Human Services	\$324,102,962
Conservation & Economic Dev't	\$41,032,607
Culture, Education & Recreation	\$43,047,847
Public Works	\$82,606,315
Debt Service	\$87,632,060
<b>Total – All Activities</b>	<b>\$825,599,213</b>

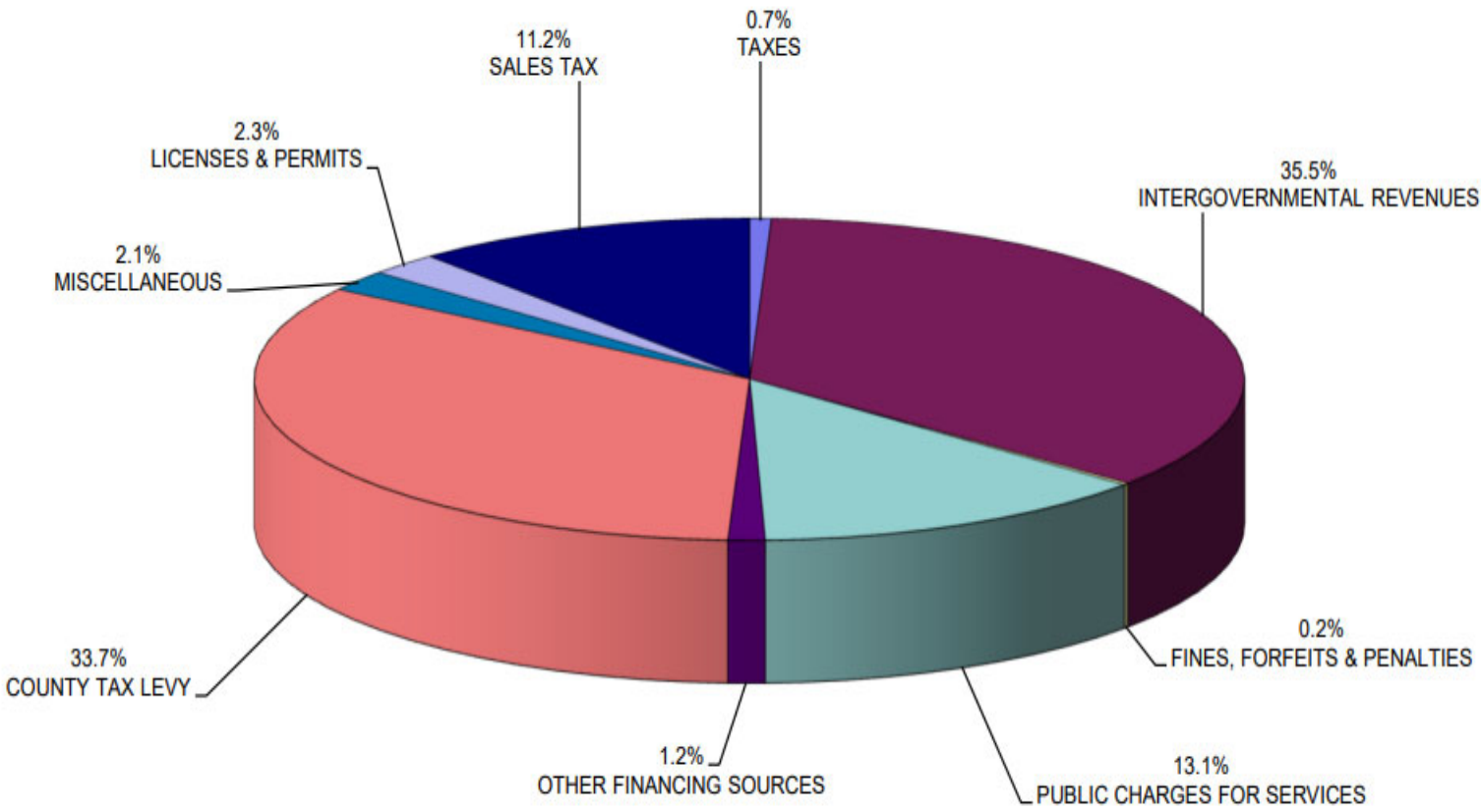
# 2026 Adopted Operating Budget Expenditures by Activity



# 2026 Adopted Operating Budget Revenues by Source


County Sales Tax	\$90,709,266
Licenses & Permits	\$18,135,245
Miscellaneous	\$17,254,588
County Property Tax	\$272,052,539
Other Financing Sources	\$9,747,058
Public Charges for Services	\$105,390,681
Fines, Forfeitures & Penalties	\$1,919,945
Intergovernmental Revenue	\$286,331,392
Other Taxes	\$5,663,389

# 2026 Adopted Operating Budget Revenues by Source



# 2026 Adopted Operating Budget GPR Funds by Activity

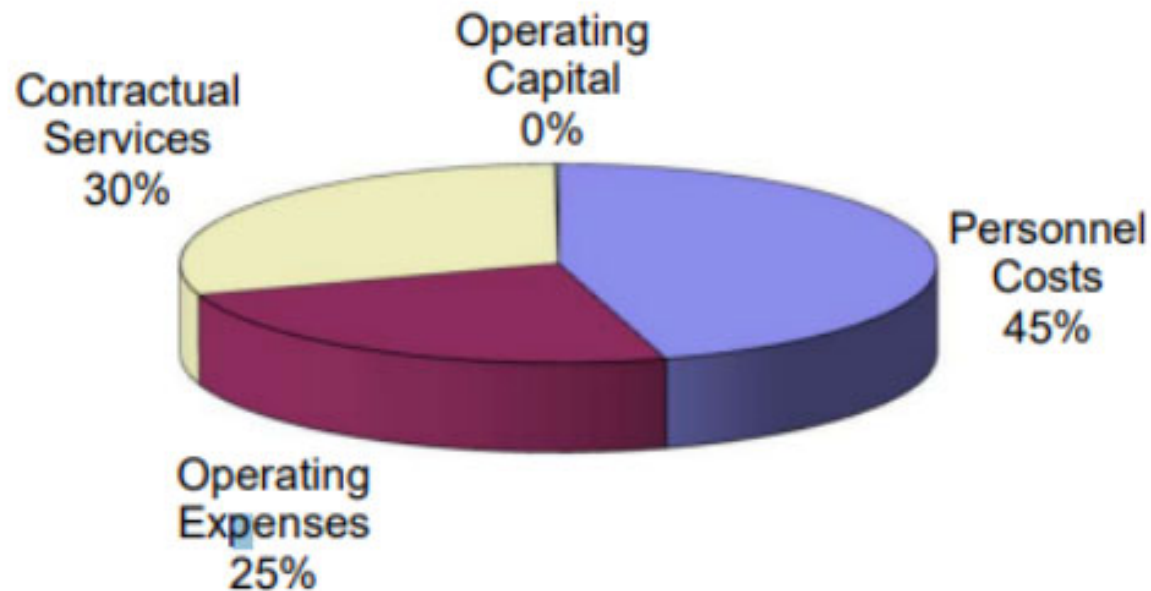
General Government	\$19,643,739
Public Safety & Criminal Justice	\$146,725,777
Health & Human Services	\$124,182,310
Conservation & Economic Dev.	\$5,439,926
Culture, Education & Recreation	\$23,820,304
Public Works	\$708,674
Debt Service	\$81,287,670
<b>Total – All Activities</b>	<b>\$401,808,400</b>



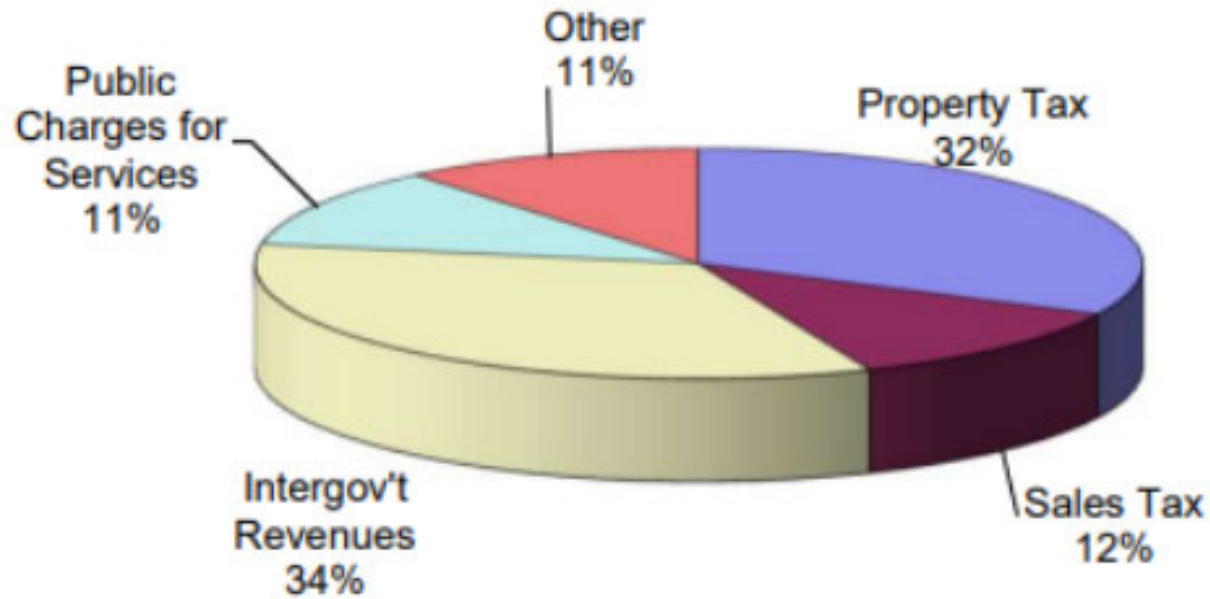
# 2026 Adopted Operating Budget Uses of Funds by Expense Category

<b>Personnel Costs</b>	<b>\$378,397,007</b>
<b>Operating Expenditures</b>	<b>\$195,960,005</b>
<b>Contractual Services</b>	<b>\$250,339,651</b>
<b>Operating Capital</b>	<b>\$902,550</b>
<b>Total – All Categories</b>	<b>\$825,599,213</b>

# 2026 Adopted Operating Budget Uses of Funds by Expense Category



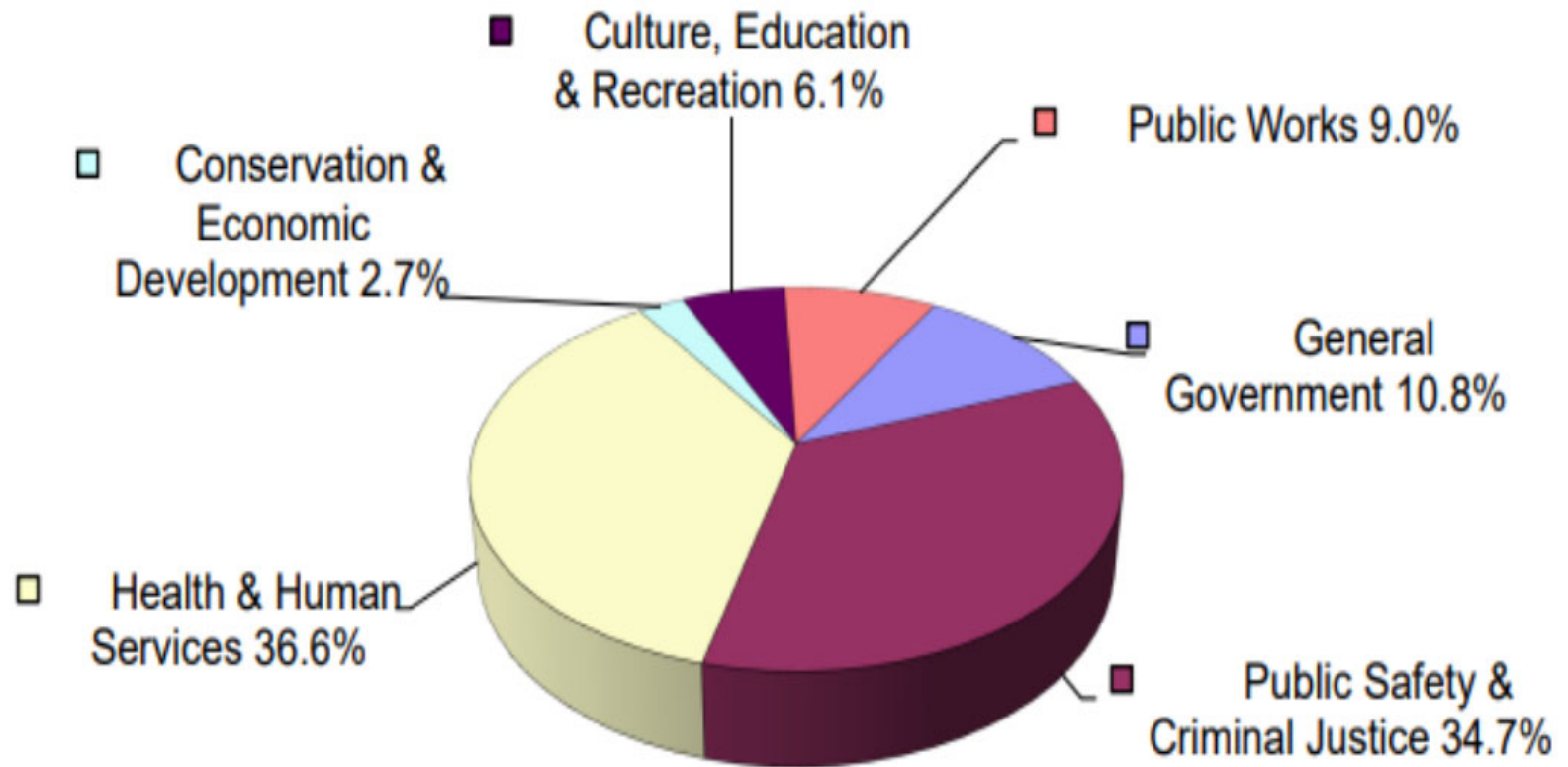
# 2026 Operating Budget Sources of Funds by Revenue Category



# Positions by Activity 2022 Through 2026

Activity	Adopted	Adopted	Adopted	Adopted	Adopted
	2022	2023	2024	2025	2026
<b>General Government</b>	299.85	303.35	307.35	310.35	309.35
<b>Public Safety &amp; Criminal Justice</b>	950.2	963	982.5	990	987.2
<b>Health &amp; Human Services</b>	945.9	1,004.60	1,038.35	1,068.95	1046.15
<b>Conservation &amp; Economic Dev't</b>	66	73	77	80	78
<b>Culture, Education &amp; Recreation</b>	157.4	167.9	172.85	177.85	175.95
<b>Public Works</b>	239.5	245.5	255.5	258.5	257.5
<b>Total – All Activities</b>	<b>2,658.85</b>	<b>2,757.35</b>	<b>2,833.55</b>	<b>2,885.65</b>	<b>2,854.15</b>

# 2026 Budget Positions by Activity





# State Levy Limit

The annual operating levy increase is limited to the percentage increase in equalized value due to Net New Construction.

<u>Year</u>	<u>NNC</u>	<u>Levy Increase</u>
2020	2.519%	\$2,985,784
2021	2.119%	\$2,576,887
2022	2.216%	\$2,754,369
2023	2.695%	\$3,425,231
2024	2.761%	\$3,603,213
2025	2.914%	\$3,907,882
2026	2.376%	\$3,279.237



# State Levy Limit

Exemptions to the state levy limit:

Bridge Aid Levy

Library Levy

Payments on County Debt

Referendum Approved Increase



How do define the county's "**Reserve Fund**"?

Technically, it is the unassigned balance in the County's General Fund as presented in the Annual Comprehensive Financial Report.

What is the reserve fund policy?

At the end of the year, the unassigned fund balance should equal 10% of the combined budgeted expenditures in the General Fund including the Alliant Energy Center, Human Services Fund and Badger Prairie Fund.



For example:

The 2026 target is calculated as follows:

General Fund Expenditures	\$273,064,054
Human Services Fund Exp.	\$277,334,770
Badger Prairie Exp.	\$32,590,450
Total	\$582,989,274
10%	<b>\$58,298,927</b>



# Reserve Fund Balance

<u>Year</u>	<u>GF Balance</u>
2020	\$54,982,037
2021	\$62,090,829
2022	\$62,608,500
2023*	\$55,574,336
2024	\$57,898,842
2025	\$59,682,044

\*2023 is the first year the policy was implemented



## How do we define “Surplus”

In county budgeting, a surplus is an amount, or estimated amount, of resources available at the end of a fiscal year above the calculated reserve amount.

Where does surplus come from:

A Surplus arises from the receipt of revenues in excess of the amount budgeted or expenditures being lower than the amount budgeted. Usually, it is a combination of both.



How does this happen?

Across county departments, the operating budget has an expenditure base of over \$820 million and a revenue base of Over \$431 million. So a variance of just 1% on each of these combined would be over \$12 million



# Challenges

Slower Sales Tax Growth

Increases in Health Insurance Expense

Reliance on Prior Year Surpluses



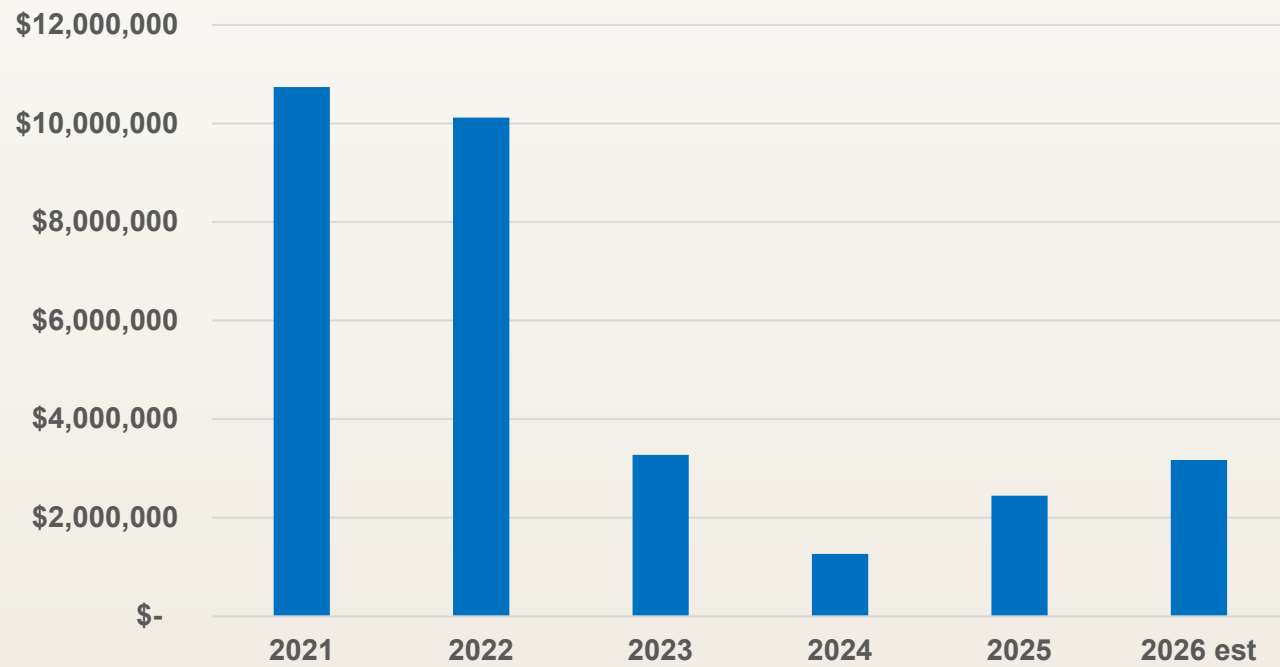
# Challenges

## Slower Sales Tax Growth

<u>Year</u>	<u>Sales Tax Increase</u>
2021	\$10,740,573
2022	\$10,117,875
2023	\$3,274,003
2024	\$1,262,393
2025	\$2,446,160
2026	\$3,169,988

# Challenges

Increase in County Sales Tax Collections





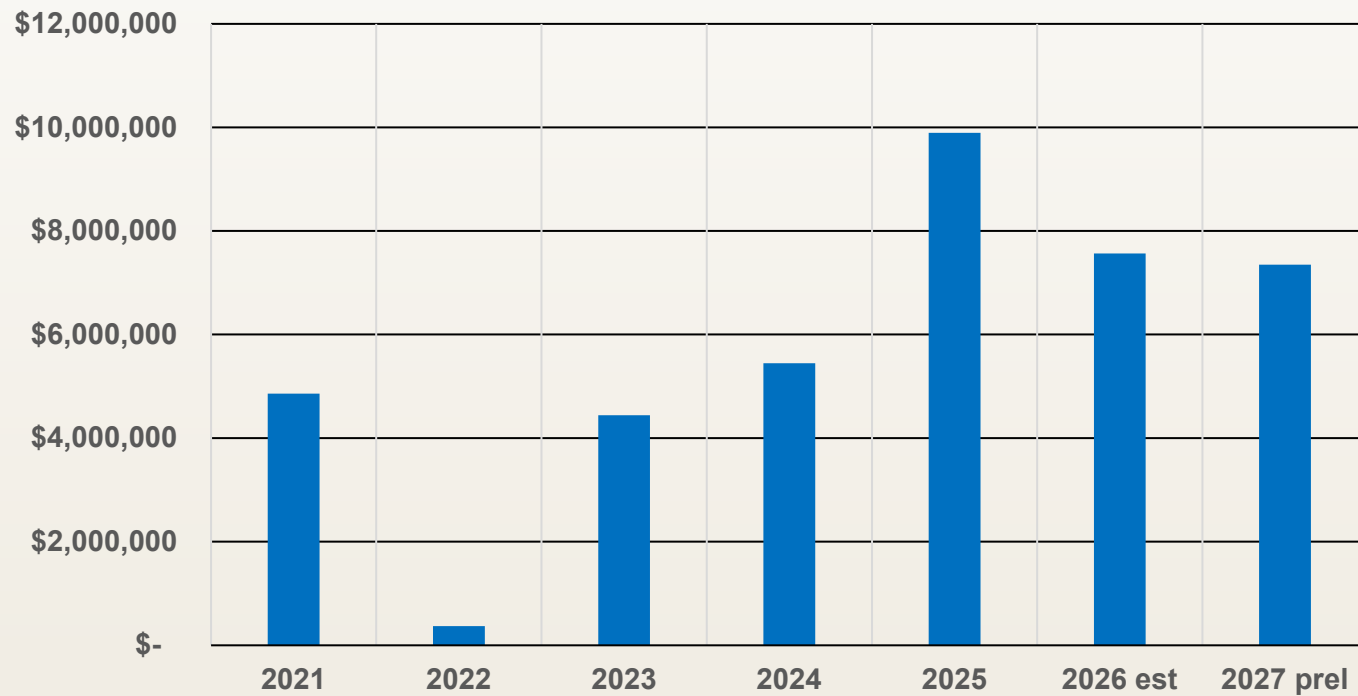
# Challenges

## Health Insurance Costs

<u>Year</u>	<u>Insurance Cost Increase</u>
2021	\$4,857,837
2022	\$367,498
2023	\$4,441,953
2024	\$5,444,317
2025	\$9,893,070
2026 est	\$7,565,207
2027 prel	\$7,346,697

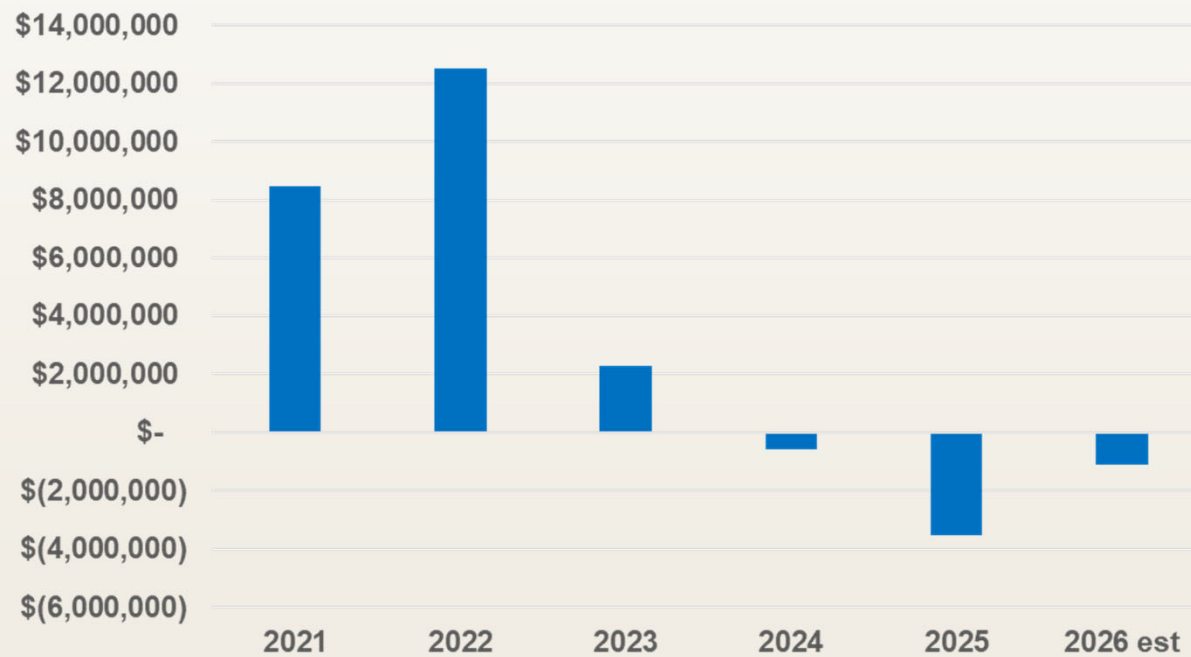
# Challenges

Increase in County Health Insurance Costs



# Challenges

Sales Tax & Operating Levy Increase Less  
Health Insurance Increase





# Challenges

<u>Year</u>	<u>Application of Surplus</u>
2017	\$693,881
2018	\$6,972,549
2019	\$9,057,114
2020	\$13,986,486
2021	\$31,370,094
2022	\$15,182,221
2023	\$39,513,340
2024	\$42,072,083
2025	\$59,535,608
2026	\$27,107,060



# 2027 Budget

The current estimate for the operating budget deficit is \$15 million. This is down from earlier estimates of over \$30 million. Updated year-end surplus estimate is the primary difference.



# 2027 Budget

Large drivers of that difference include:

AEC Performance	\$1,100,000
Interest Income	\$600,000
Transfer Fee Revenue	\$880,000
Medicaid Revenue	\$1,100,000
Human Services Fund	\$3,500,000
Operating Departments	\$4,000,000
General Revenues	\$1,000,000



# 2027 Budget

County Executive has issued guidelines to Departments with GPR reduction targets.

Departments have their budget materials and are developing their budget requests.

Departments will meet with the Executive in the next couple of months and complete their requests.



# 2027 Budget

Department targets total \$10 million. They are based on the size of the department and the relative growth in FTE over the past five years rather than a flat percentage

## Department Targets:

<u>Department</u>	<u>Reduction</u>	<u>Department</u>	<u>Reduction</u>
COUNTY BOARD	\$ 17,231	EMERGENCY MANAGEMENT	\$ 45,974
COUNTY EXECUTIVE	\$ 82,816	VETERAN'S SERVICE	\$ 72,548
DANE COUNTY CIVIL RIGHTS DEPT	\$ 13,611	PLANNING & DEVELOPMENT	\$ 142,945
COUNTY CLERK	\$ 7,904	LAND & WATER RESOURCES	\$ 411,424
ADMINISTRATION	\$ 520,283	DANE COUNTY HENRY VILAS ZOO	\$ 181,881
TREASURER	\$ 11,661	EXTENSION	\$ 12,758
CORPORATION COUNSEL	\$ 253,757	ALLIANT ENERGY CENTER	\$ 233,966
REGISTER OF DEEDS	\$ 16,443	OFFICE OF CRIMNL JUSTCE REFORM	\$ 9,022
CLERK OF COURTS	\$ 342,083	PRETRIAL SERVICES	\$ 32,382
FAMILY COURT SERVICES	\$ 9,451	BOARD OF HEALTH-MADISON/DANE	\$ 1,008,824
MEDICAL EXAMINER	\$ 77,137	LIBRARY	\$ 50,720
DISTRICT ATTORNEY	\$ 369,618	HUMAN SERVICES DEPARTMENT	\$ 3,966,644
SHERIFF	\$ 1,855,269	BADGER PRAIRIE	\$ 253,648



# Contact Information

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