

May 19, 2026



FY 2026-27 MANAGER'S RECOMMENDED BUDGET

Budget Overview

FY 2026-27 Budget Outlook



Budget Expansion Drivers

\$50 Million

Annual Revenue Projection

(\$7.7 Million)



FY 2026-27 Budget Outlook



- Key “**natural growth**” revenues estimate **are lower than recent years** (*before a tax rate increase*)

General Fund Budget Outlook

Property Tax:	\$391,400	Investment Income:	\$500,000
Sales Tax:	\$771,000	Reg. of Deeds:	\$1.0 million
Med. Hold Harmless:	-\$1.0 million	Fund Balance:	-\$4.5 million

Capital Financing Fund Budget Outlook

Property Tax:	\$61,900	Occupancy Tax:	-\$1.4 million
Sales Tax:	\$2.3 million		

FY 2023-24 Budget Outlook \$48 Million

- **General Fund Budget Outlook**

- Key “natural growth” revenues estimate **\$35.8 million (higher property tax and sales tax collection – before a tax rate increase)**

Property Tax:

\$14.8 million

Sales Tax: \$13.9 million

Fund Balance: \$2.6 million

Med. Hold Harmless:

\$3.0 million

Investment Income:

\$1.5 million

- **Capital Financing Fund Budget Outlook**

- Key “natural growth” revenues estimate **\$12.2 million (higher property tax and sales tax collection – before a tax rate increase)**

Property Tax: \$2.0 million

Sales Tax: \$9.7 million

Occupancy Tax:

\$500k

FY 2026-27 Manager Priorities



- Maintain County's fiscal stability
 - Decrease use of Fund Balance to ensure sustainability into the future
 - Maximize existing revenue and recommend responsible tax rate
- Provide adequate funding for Durham Public Schools
- Support existing County employees
- Limiting property tax growth
- Provide services at current levels
- Focus on key Public Safety needs
- Provide adequate funding for planned capital projects

FY 2026-27 General Fund Revenues



1. Property Tax Rate: 57.42 Cents Per \$100 Valuation
2. **Prop. Tax and Sales Tax = 79.97% of Total General Fund Revenue**
3. Intergovernmental = Revenue from State and Federal Sources (Mostly for DSS and Public Health Services)

Property Tax, 60.96%

Sales Tax, 19.01%

**Intergovern
mental,
8.14%**

**Other,
3.67%**

**Fund
Balance &
Transfers,
3.09%**

**EMS Fees,
2.58%**

**State
Hold
Harmle
SS,
1.29%**

**Other
Fees
(Deeds
and Occ.
Tax),
1.26%**

FY 2026-27 General Fund Expenditures



Personnel & Education 74.4%

Operating and Other, 16.09%

31 Departments (37 All Funds)
2,275 FTEs (2,347 all Funds)

Education Funding*

<u>Five Largest Departments</u>	<u>FTE</u>
Dept. of Social Services	586
Office of the Sheriff	492
Public Health	242
Office of Emerg. Svcs.	218
Library	144

<u>Category</u>	<u>FY 2026-27</u>
Durham Public Schools	\$235.4M
Durham Tech Comm Coll	\$13M
Pre-K	\$10.2M

* Additional \$70.3M supports DPS Debt Service

Personnel & Benefits, 37.47%

Education, 36.95%

Capital Debt Support, 8.57%

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Valuation New Starting Point for FY 2026-27



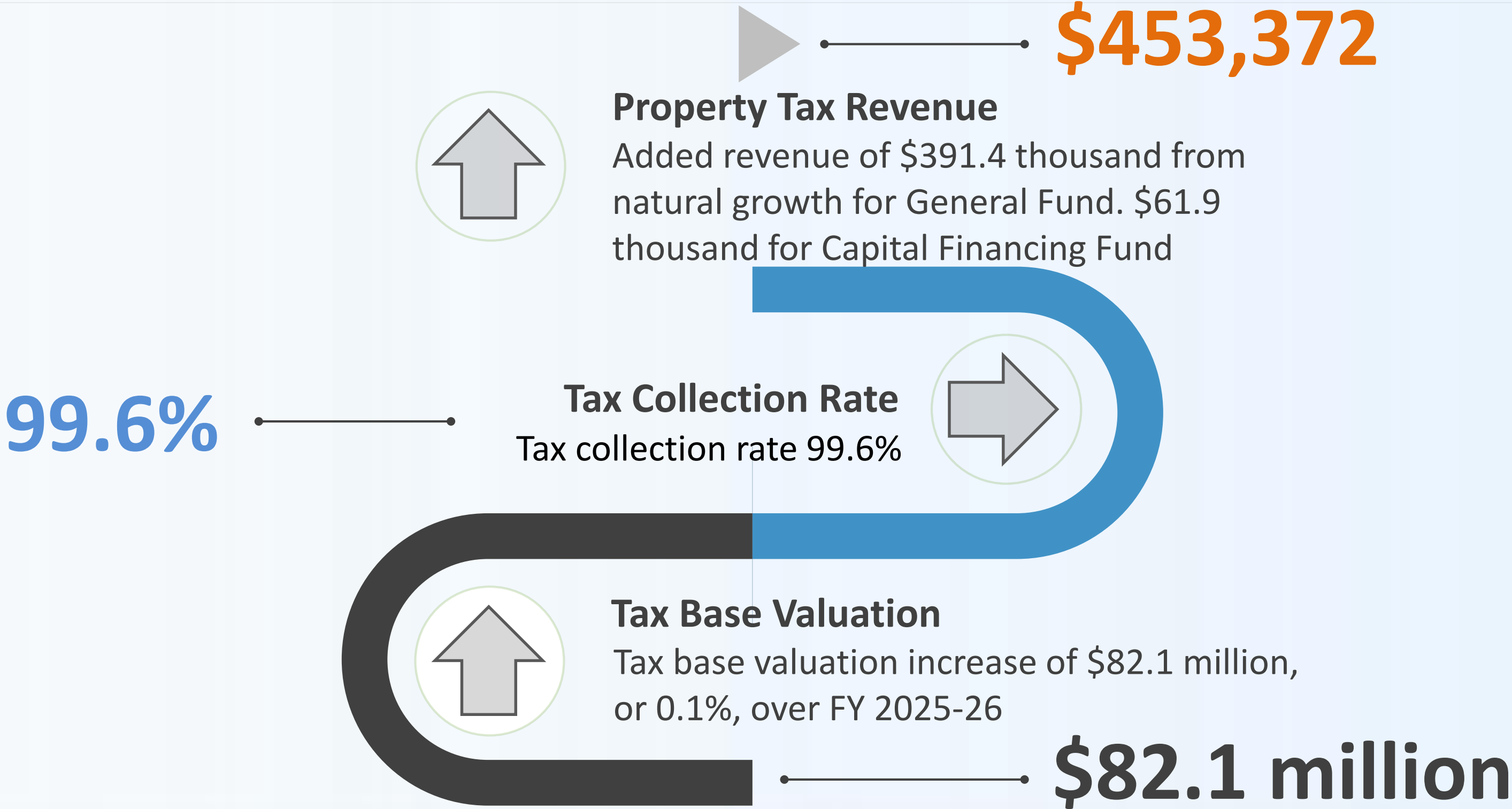
Valuation	FY 2025-26 Budgeted	FY 2025-26 After Appeals	Net \$ Change	Net % Change
Total	\$85.7 billion	\$83.5 billion	(\$2.3 billion)	-2.67%

\$2.4B of Valuation Growth is \$13.5M in Levy

Valuation	FY 2025-26 After Appeals	FY 2026-27 Recommended Budget	Net \$ Change	Net % Change
Total	\$83.5 billion	\$85.8 billion	\$2.4 billion	2.84%

Net Valuation change is seen as 0.10% because we had to start at the lower (after appeals) valuation for the actual budget, budget to budget valuation is the \$85.7B to \$85.8B

FY 2026-27 Property Tax Natural Growth





Tax Administration Update

Keyar Doyle, Tax Administrator

Tax - Median Sales Price



	Local Real Estate Market (Median SP)							
Month	County of Durham				City of Durham			
25-Nov			\$ 410,000				\$ 410,000	
25-Oct			\$ 405,000				\$ 405,000	
25-Aug			\$ 419,000				\$ 410,000	
May-25			\$ 430,000				\$ 430,000	
25-Apr			\$ 430,000				\$ 429,700	
25-Feb			\$ 425,000				\$ 428,000	
24-Dec			\$ 416,000				\$ 415,000	
24-Oct			\$ 419,500				\$ 415,375	
24-Aug			\$ 431,000				\$ 430,500	
24-Jul			\$ 444,775				\$ 446,150	
24-Jun			\$ 449,730				\$ 449,300	
24-May			\$ 460,000				\$ 429,000	
24-Feb			\$ 395,000				\$ 400,000	
24-Jan			\$ 405,773				\$ 404,995	
23-Dec			\$ 402,500				\$ 405,000	
23-Oct			\$ 420,000				\$ 421,205	
23-Sep			\$ 410,000				\$ 410,000	
23-May			\$ 415,051				\$ 415,000	
23-Mar			\$ 399,109				\$ 385,745	
23-Feb			\$ 383,067				\$ 385,745	
Average of Median SP			\$ 418,525				\$ 416,286	

- The appeal deadline was set for June 16th, which is a month after the budget process begins each year.
 - Required estimates to be made regarding how many appeals would be received.
 - 7,500 were estimated on May 19, 2024
 - 10,533 were ultimately accepted (BER has the power to accept late)
- More than 3,000 appeals were unaccounted for in budget processing.

Tax – Valuation Changes



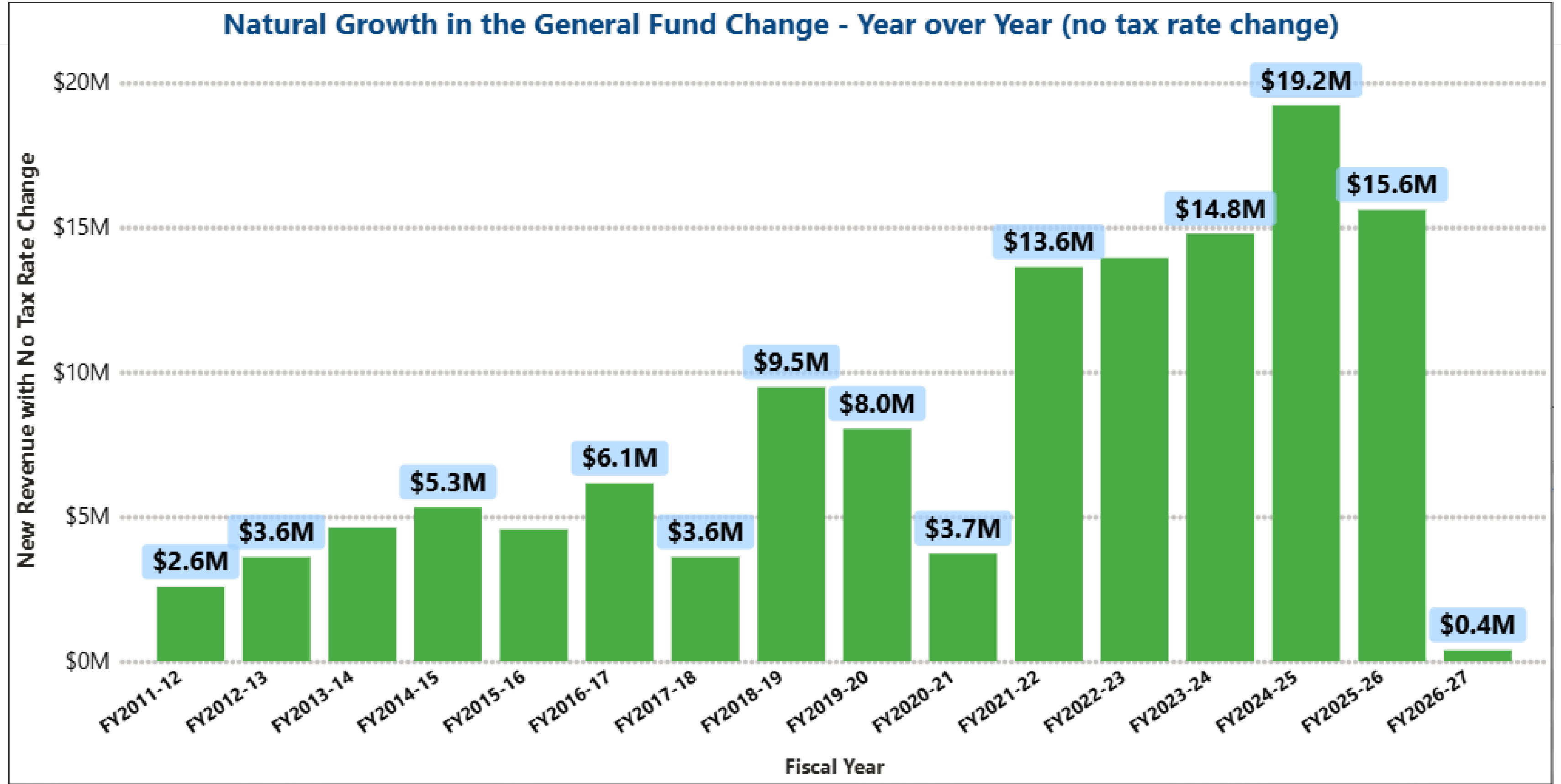
	Pre-Reappraisal 2024	Pre-Appeals 2025	Post Appeals 2025
Assessed Value of residential real property	\$ 27,664,257,058	\$ 49,715,963,158	\$ 49,275,592,748
Assessed Value of commercial real property	\$ 12,677,691,837	\$ 21,083,506,309	\$ 19,083,506,309
Assessed Value of industrial real property	\$ 4,975,616,051	\$ 8,539,600,001	\$ 8,108,872,808
Assessed Value of all other real property	\$ 3,783,919,676	\$ 5,954,831,862	\$ 5,954,777,872
Total Assessed Value of Real Property	\$ 49,101,484,622	\$ 85,293,901,330	\$ 82,422,749,737
All real property exclusions, exemptions, and deferments	\$ 6,132,349,152	\$ 10,144,517,463	\$ 10,067,804,017
Total Taxable Value of Real Property	\$ 42,969,135,470	\$ 75,149,383,867	\$ 72,354,945,720

- The total commercial value appealed was **\$11,427,892,269** on **1107** appeals
- The total residential value appealed was **\$4,613,775,122** on **9,426** appeals

- After reductions to commercial, total value was **\$8,627,111,086 - 23%**
- After reductions to residential, total value was **\$4,173,404,712 - 9%**

***Total Commercial Value Loss for 2025 includes \$320,672,041 million in tax relief.**

General Fund Historical Property Tax Natural Growth



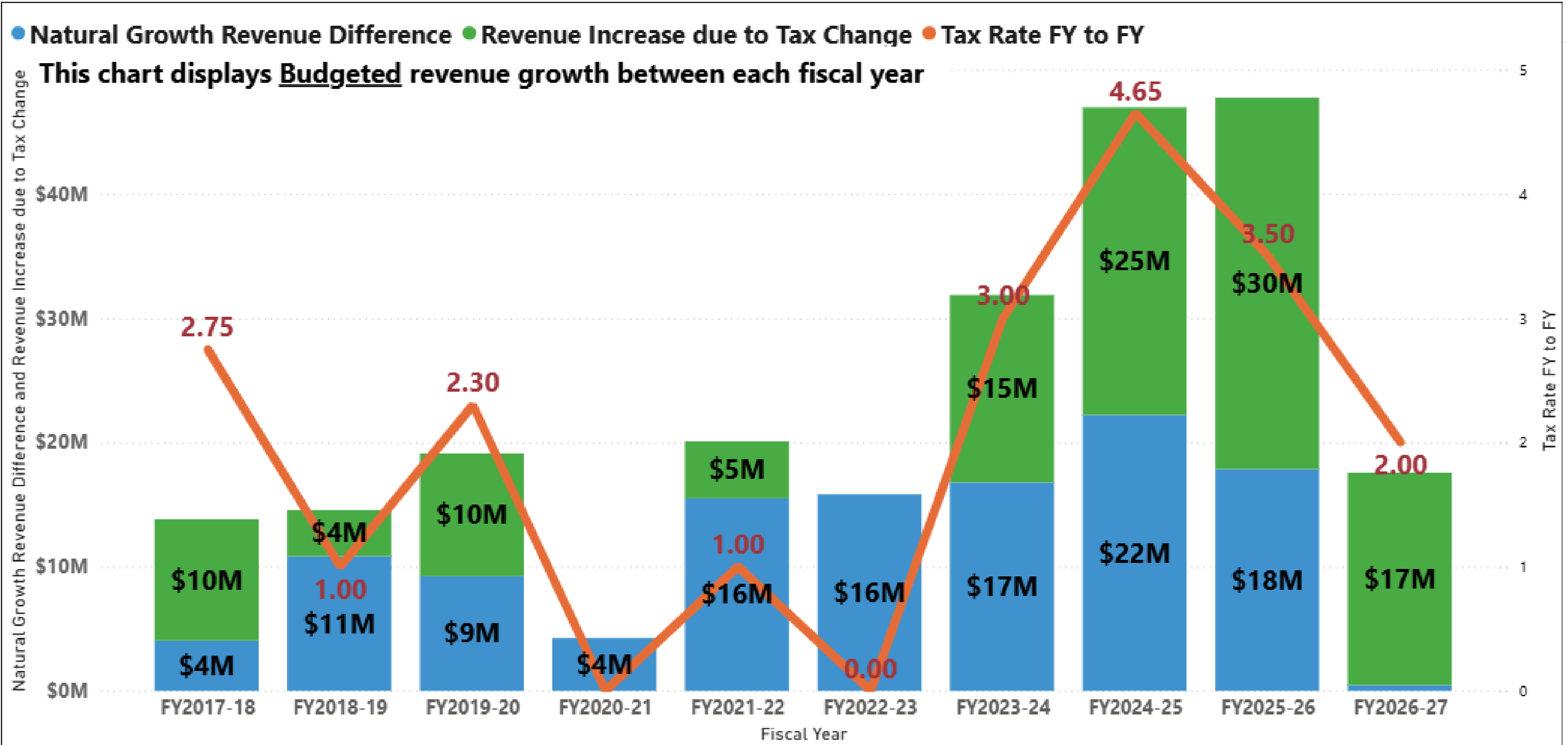
FY 2026-27 Property Tax



PROPERTY TAX	FY 2025-26 Approved Tax Rate	FY 2026-27 Recommended Tax Rate	FY 2026-27 Projected Revenue
General Fund	47.85	49.85	\$426,688,200
Capital Financing Fund	7.57	7.57	\$64,719,049
TOTAL	55.42	57.42	\$491,407,249

FY 2026-27 Total General Fund property tax revenue increase = \$17.5 million

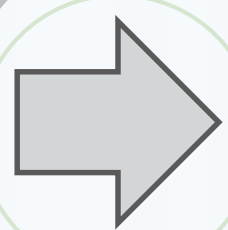
Historical Property Tax Natural Growth and Rate Increase



FY 2026-27 Property Tax

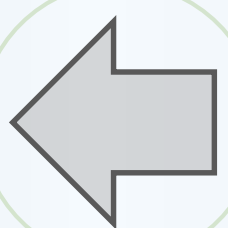


2.0 Cent Increase



Property Tax Rate 57.42 cents
General Fund (2.0 cents)

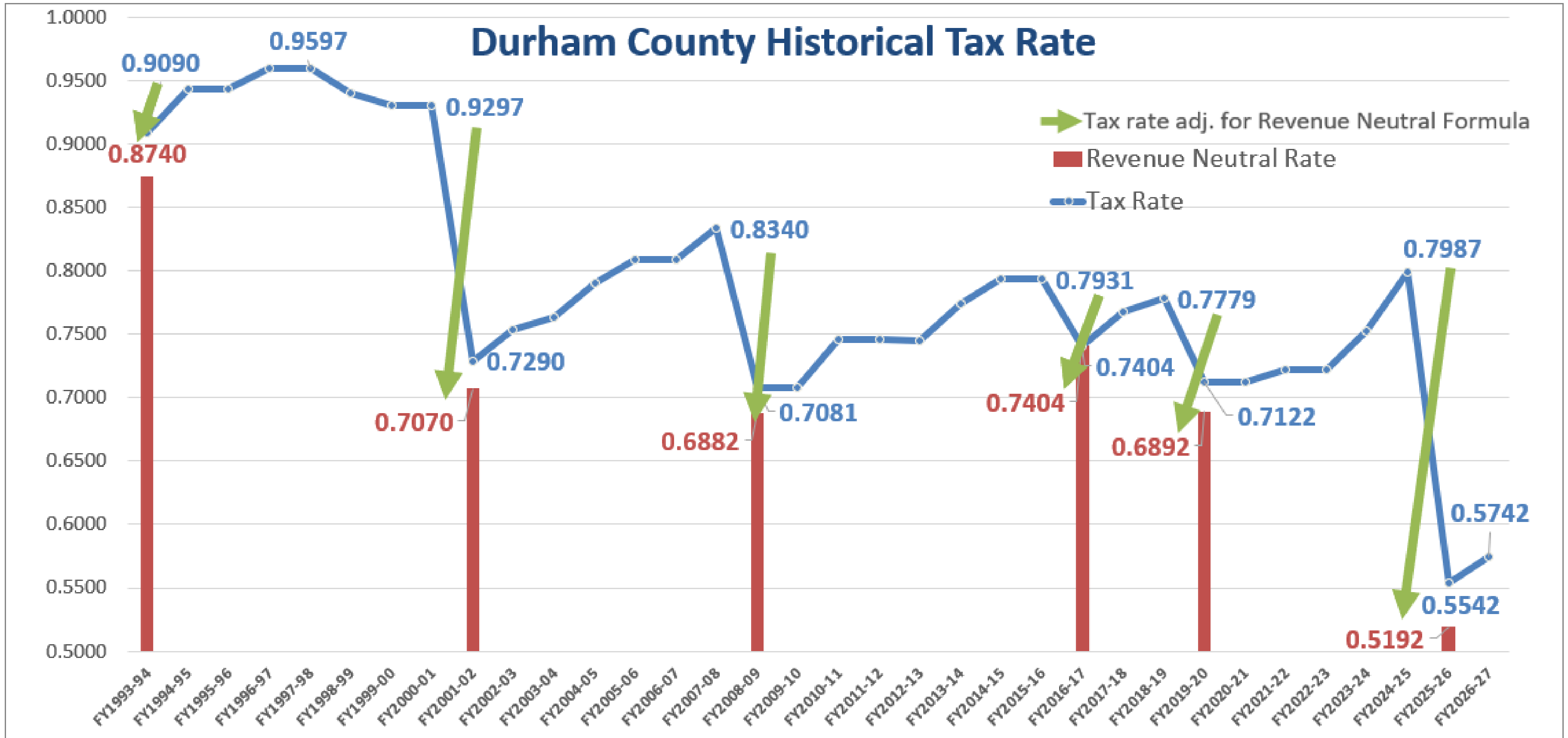
One Cent of Tax Rate Change
\$8.55 million



Additional Property Tax Revenue
\$17.1 Million General Fund
from tax rate change

Property Valuation	Prior Tax Bill	New Tax Bill	Tax Bill Change
\$100,000	\$554	\$574	\$20
\$200,000	\$1,108	\$1,148	\$40
\$300,000	\$1,663	\$1,723	\$60
\$400,000	\$2,217	\$2,297	\$80
\$500,000	\$2,771	\$2,871	\$100
\$600,000	\$3,325	\$3,445	\$120

Historical Property Tax



Historical Property Tax – City & County

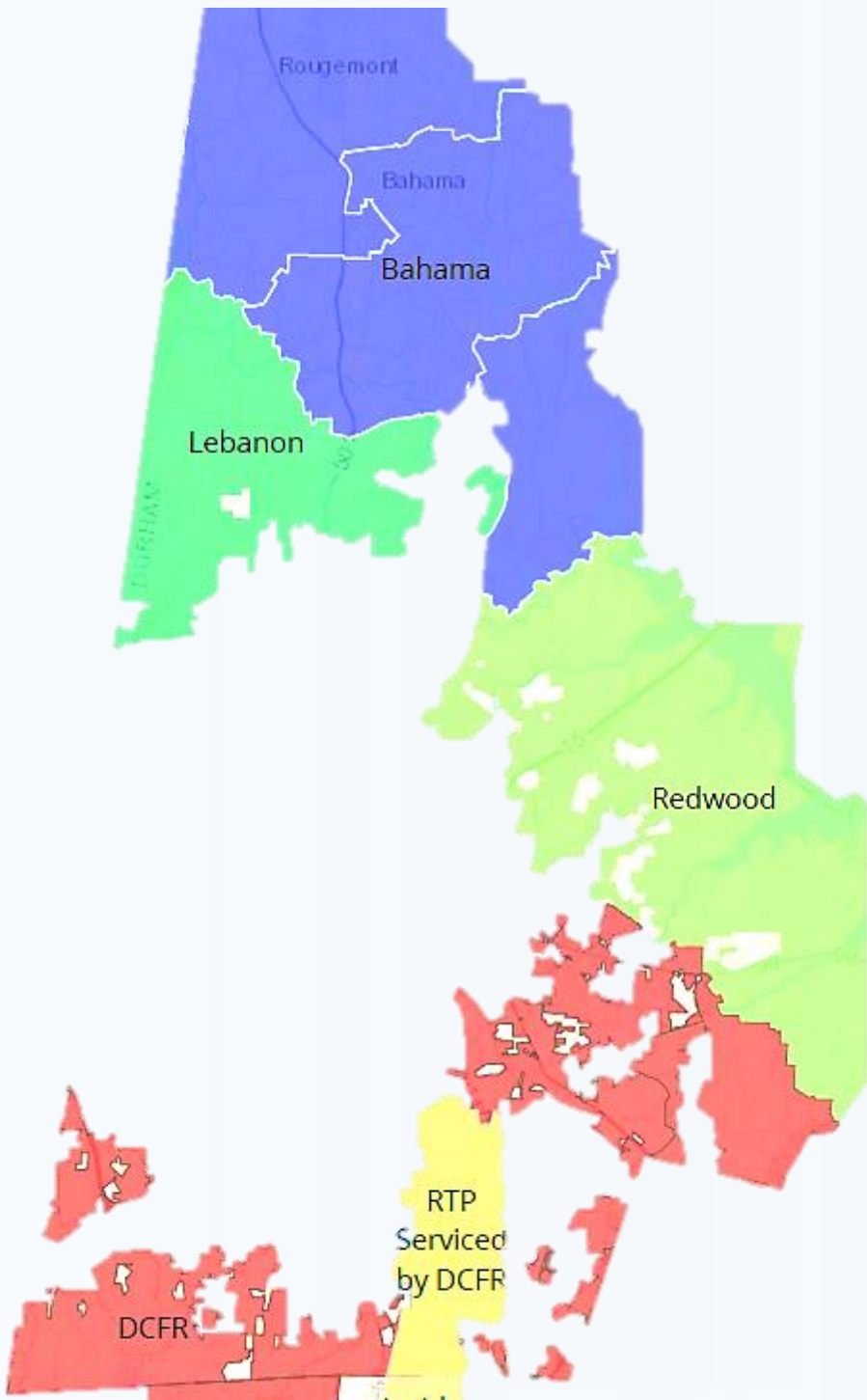


Fiscal Year	Durham County	Revenue Neutral - DCo	Durham County Change	County % Change	City of Durham	Revenue Neutral - DCity	City of Durham Change	City % Change	COMBINED Approved	COMBINED Revenue Neutral	Total Change	% Change	Fiscal Year
FY 2004-05	0.7900				0.5830				1.3730				FY 2004-05
FY 2005-06	0.8090		0.0190	0.0241	0.5830		0.0000	0.0000	1.3920		0.0190	1.38%	FY 2005-06
FY 2006-07	0.8090		0.0000	0.0000	0.6030		0.0200	0.0343	1.4120		0.0200	1.44%	FY 2006-07
FY 2007-08	0.8340		0.0250	0.0309	0.6180						0.00	2.83%	FY 2007-08
FY 2008-09	0.7081	0.6882	0.0199	0.0289	0.5400		0.0402	3.34%	FY 2019-20		0.0194	5.00%	FY 2008-09
FY 2009-10	0.7081		0.0000	0.0000	0.5400		0.0000	0.00%	FY 2020-21		0.0000	0.00%	FY 2009-10
FY 2010-11	0.7459		0.0378	0.0534	0.5519		0.0000	0.00%	FY 2021-22		0.0397	3.98%	FY 2010-11
FY 2011-12	0.7459		0.0000	0.0000	0.5575		0.0300	2.41%	FY 2022-23		0.0356	0.43%	FY 2011-12
FY 2012-13	0.7444		-0.0015	-0.0020	0.5675		0.0060	0.47%	FY 2023-24		0.0085	0.65%	FY 2012-13
FY 2013-14	0.7744		0.0300	0.0403	0.5675		0.0300	2.34%	FY 2024-25		0.0300	0.00%	FY 2013-14
			0.0187	0.0241	0.5912		0.0350	6.49%	FY 2025-26		0.0350	1.29%	FY 2014-15
			0.0000	0.0000	0.5912		0.0898	9.96%	FY 2026-27*		0.0000	0.00%	FY 2015-16
FY 2017-18	0.7679		0.0275	0.0371	0.5786		0.0200	2.02%			0.0254	3.49%	FY 2016-17
FY 2018-19	0.7779		0.0100	0.0130	0.5786		0.0898	9.96%			0.0544	3.49%	FY 2017-18
FY 2019-20	0.7122	0.689	0.0230	0.0334	0.5317		0.0200	2.02%			0.0000	0.00%	FY 2018-19
FY 2020-21	0.7122		0.0000	0.0000	0.5317						0.0002	3.34%	FY 2019-20
FY 2021-22	0.7222		0.0100	0.0140	0.5517						0.0000	0.00%	FY 2020-21
FY 2022-23	0.7222		0.0000	0.0000	0.5577		0.0060	0.0109	1.2799		0.0060	0.47%	FY 2021-22
FY 2023-24	0.7522		0.0300	0.0415	0.5577		0.0000				0.0300	2.34%	FY 2022-23
FY 2024-25	0.7987		0.0465	0.0618	0.5962		0.0385				0.0850	6.49%	FY 2023-24
FY 2025-26	0.5542	0.5192	0.0350	0.0674	0.4371	0.3823	0.0548				0.0898	9.96%	FY 2024-25
FY 2026-27*	0.5742		0.0200	0.0361	0.4371		0.0000	0.0000	1.0113		0.0200	2.02%	FY 2025-26
													FY 2026-27*

Tax Rate Increases
8 out of last 10 years

Tax Rate Increases
6 out of last 10 years

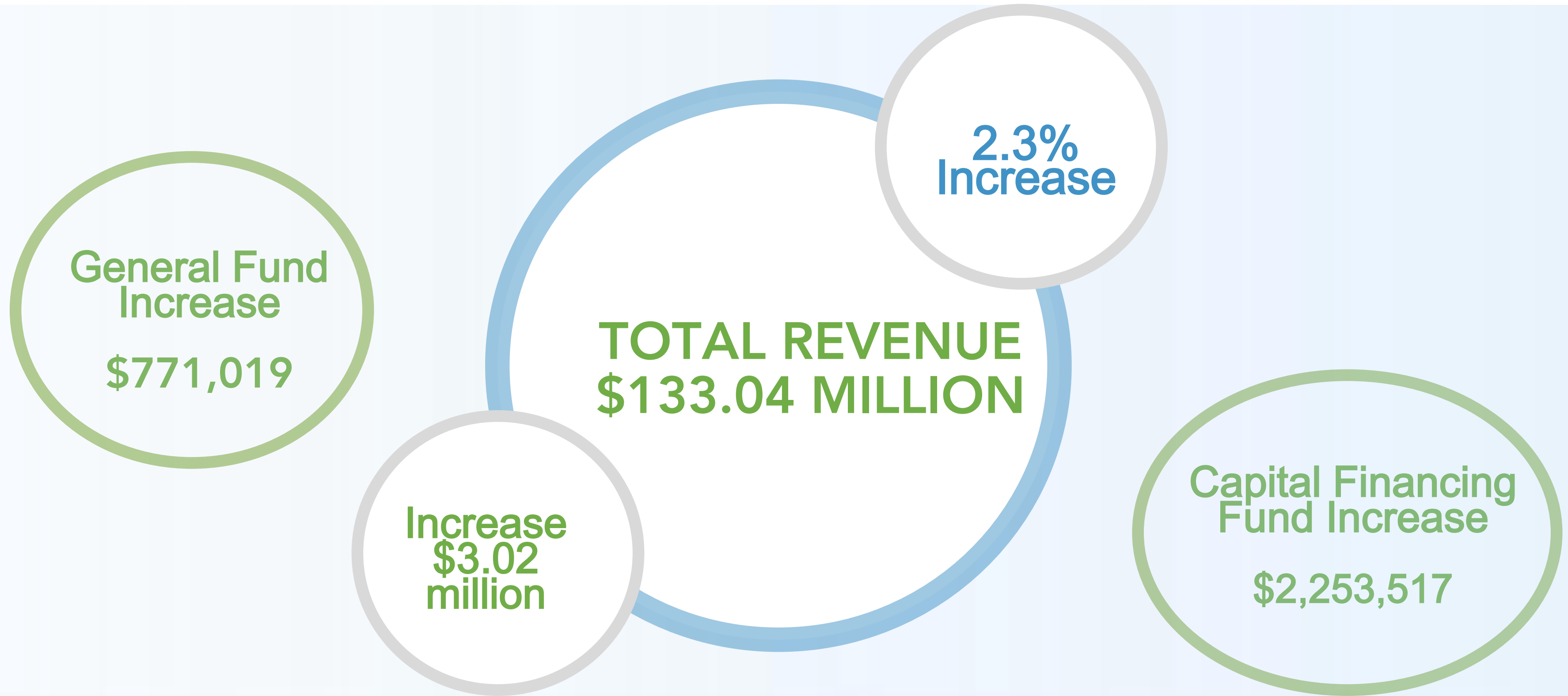
Special Tax Districts



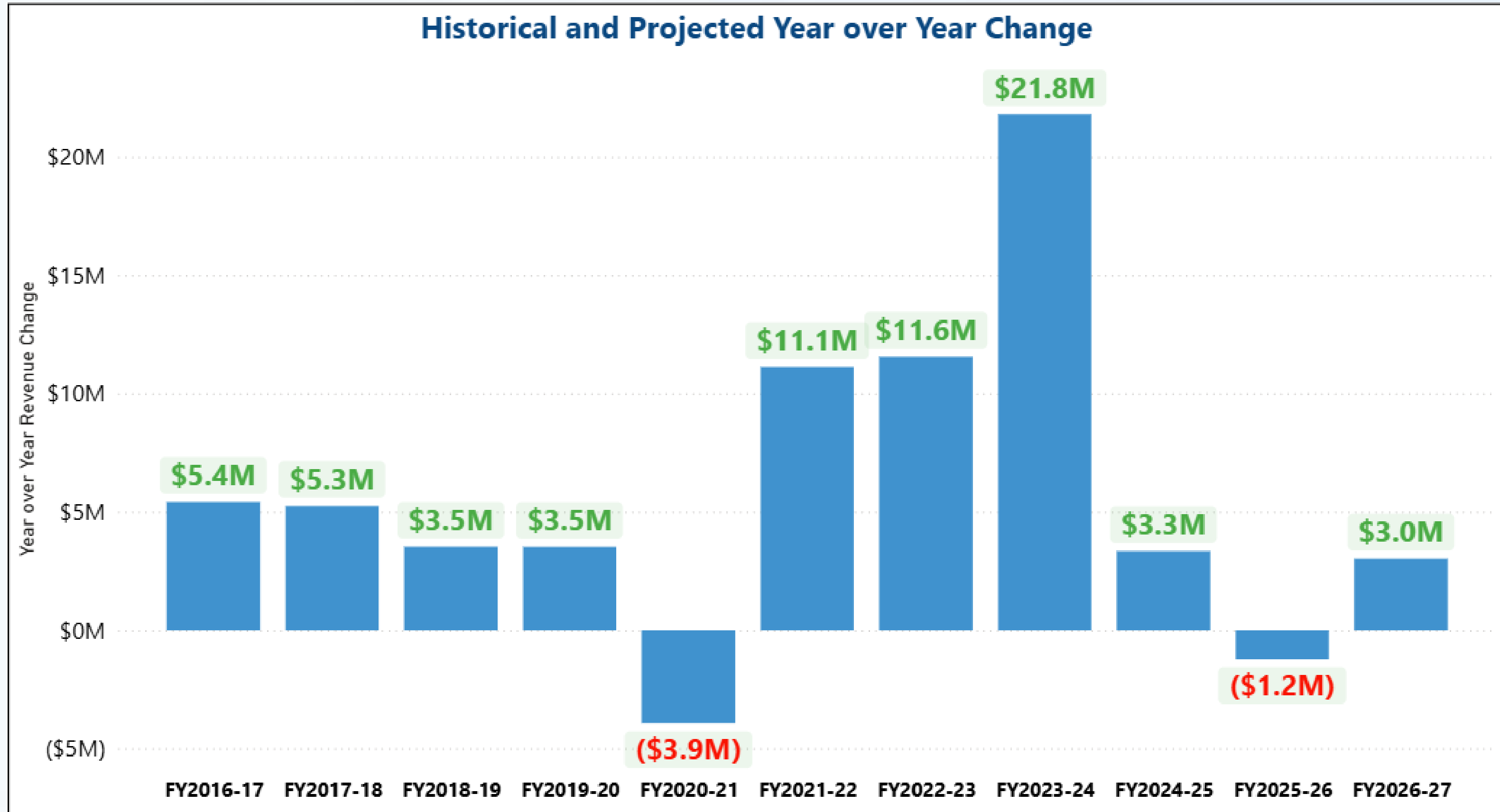
FY 2026-27 Recommended Property Tax Rates

Bahama	8.83 tax rate	No change
Lebanon	9.19 tax rate	No change
New Hope	7.91 tax rate	1 ½ cent ↑
Eno	6.84 tax rate	2 cent ↑
Redwood	9.32 tax rate	¼ cent ↑
Mangum	4.70 tax rate	NEW Tax District
DCFR	8.29 tax rate	No change
RTP	Service Fund 7.80 tax rate Transportation Fund 2.50 tax rate	No change

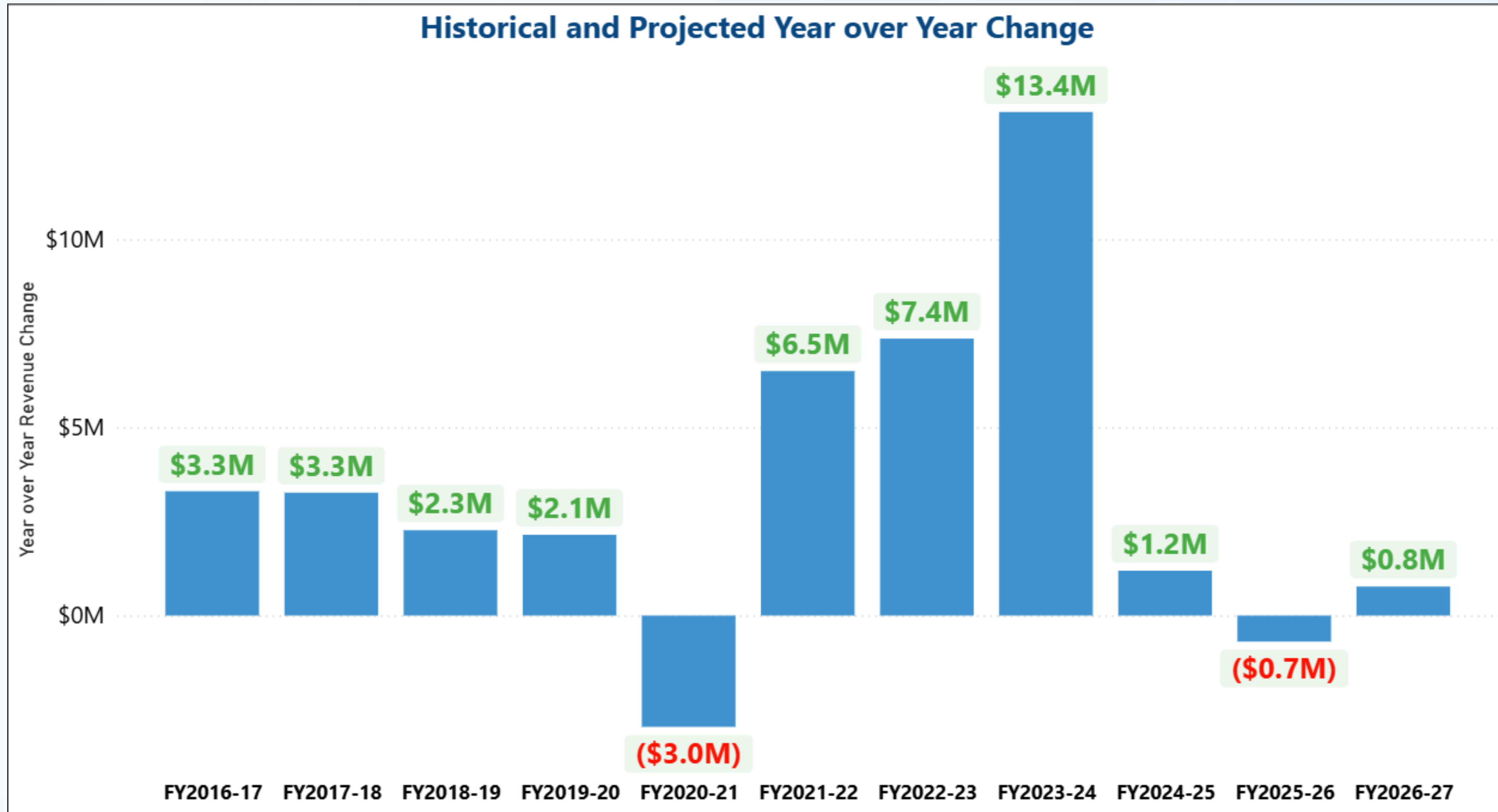
FY 2026-27 Sales Tax

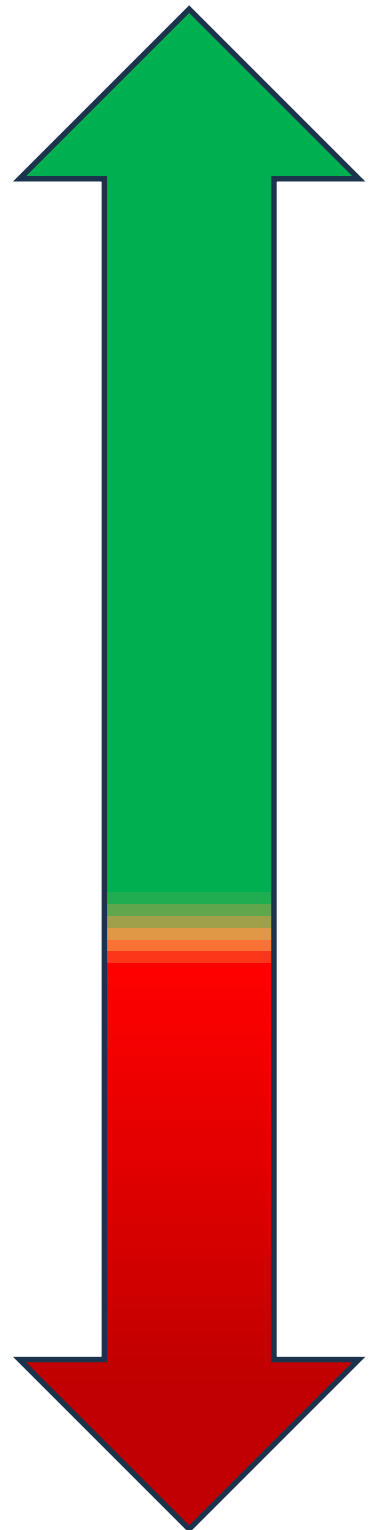


FY 2026-27 ALL Sales Tax



FY 2026-27 General Fund Sales Tax





EMS Patient Fees

- Increase of **\$2 million**, total revenue budget of **\$18.07 million**

Register of Deeds

- Increase of **\$1 million**, total revenue budget of **\$6.9 million**

Investment Revenue

- Increase of **\$500,000**, total revenue budget of **\$7.8 million**

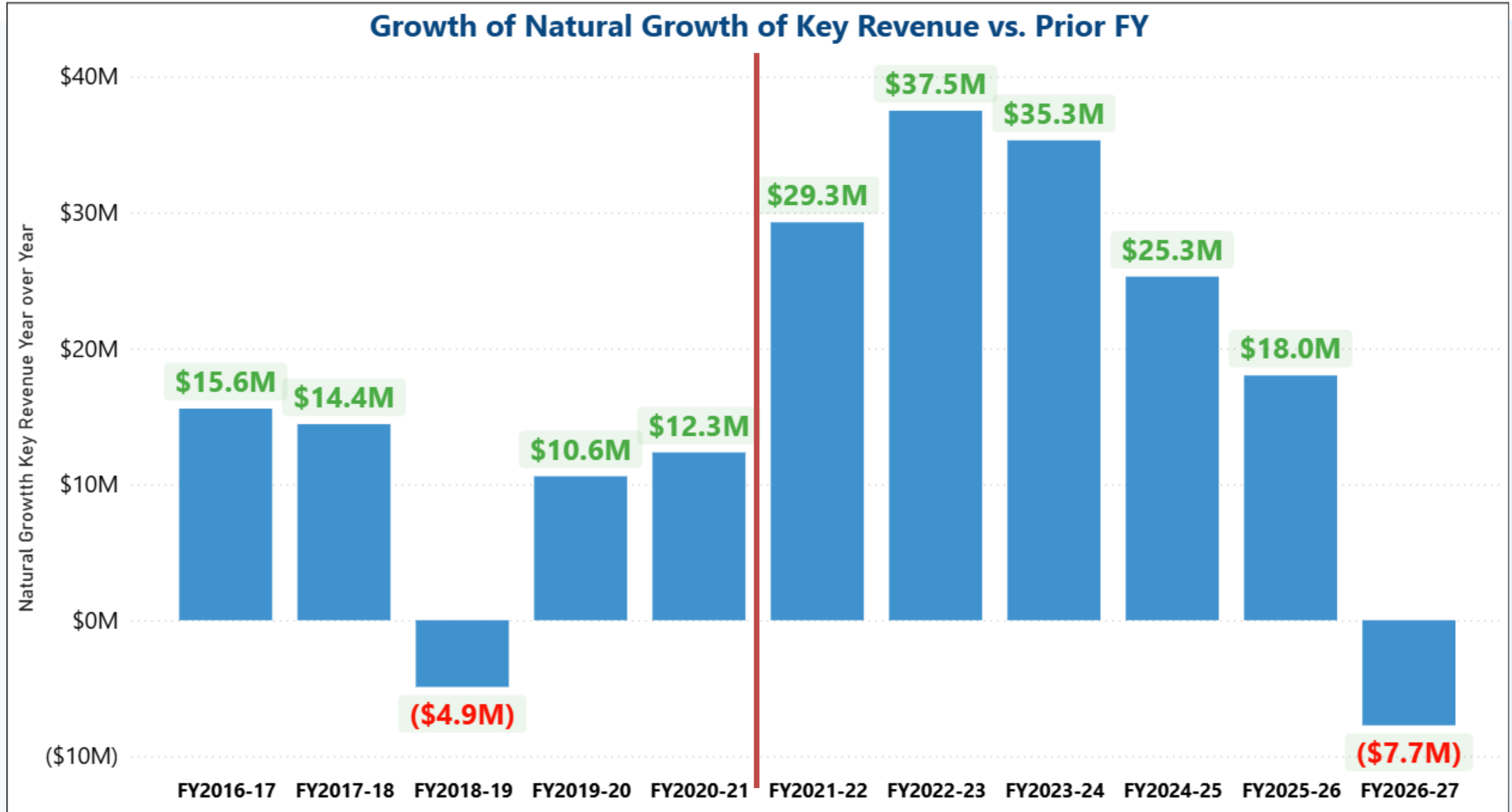
State Hold Harmless

- Decrease of **(\$1 million)**, total revenue budget of **\$9 million**

Lower Fund Balance Appropriation Included

- Decrease of **(\$4.5 million)**, total revenue budget of **\$19.4 million**

Historical General Fund Revenue Natural Growth



Historical General Fund Revenue Natural Growth



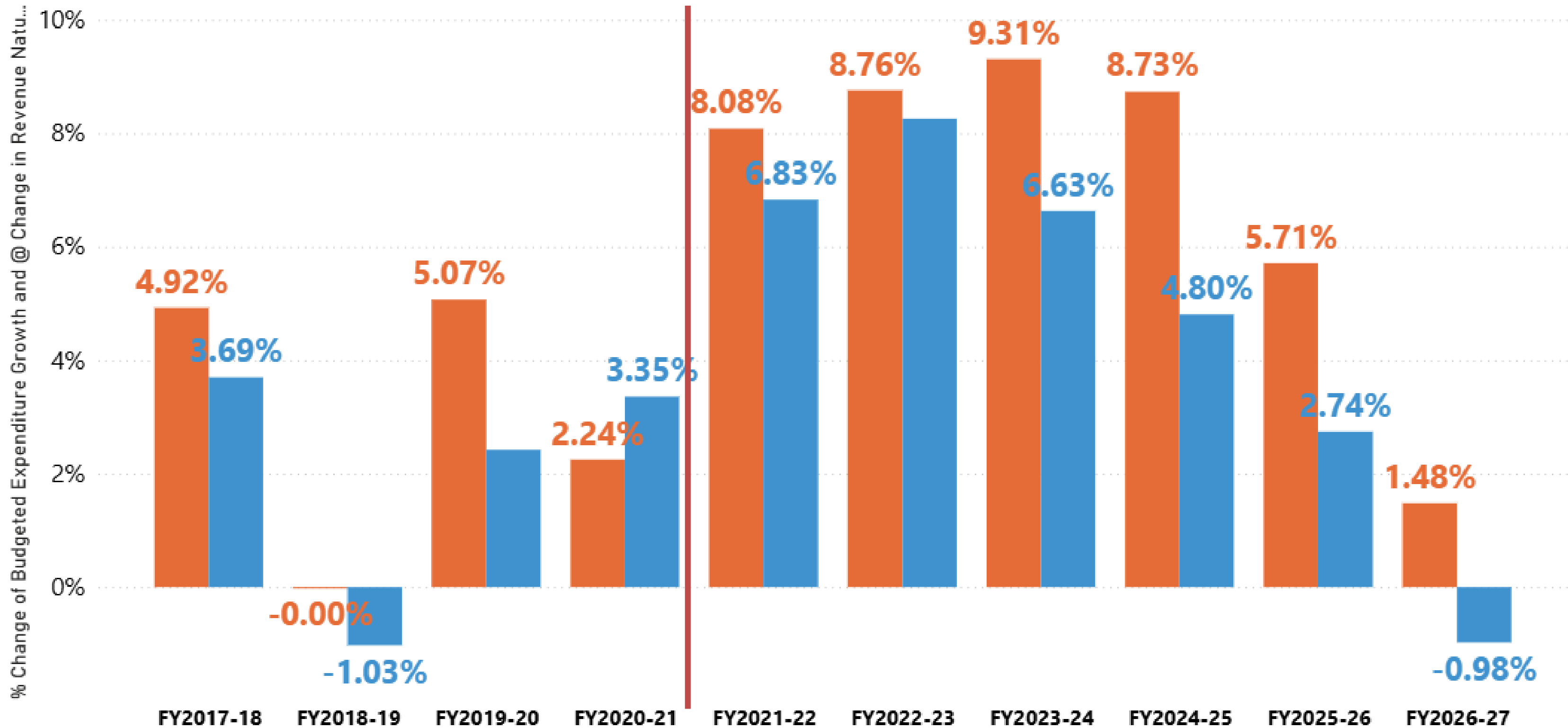
Revenues Natural Growth	FY 2025-26 Approved Budget	FY 2026-27 Recommended Budget	Approved vs. Recommend \$	Approved vs. Recommend %
⊕ Sales Tax	\$79,832,553	\$80,603,572	\$771,019	0.97%
⊕ Intergovernmental Items	\$59,762,446	\$56,940,394	(\$2,822,052)	-4.72%
⊕ Fund Balance Appropriated	\$23,888,787	\$19,407,139	(\$4,481,648)	-18.76%
⊕ EMS Patient Fees	\$16,060,000	\$18,077,000	\$2,017,000	12.56%
⊕ State Hold Harmless Funds	\$10,000,000	\$9,000,000	(\$1,000,000)	-10.00%
⊕ Investment Revenue	\$7,325,000	\$7,825,000	\$500,000	6.83%
⊕ Other General Fund Revenues	\$8,540,958	\$6,941,333	(\$1,599,625)	-18.73%
⊕ Deed Registration and Transfer Fees	\$5,900,000	\$6,900,000	\$1,000,000	16.95%
⊕ Duke EMS Support - Comm. Health Fund	\$3,103,526	\$3,187,321	\$83,795	2.70%
⊕ Property Tax Collection Fees	\$2,486,200	\$3,133,300	\$647,100	26.03%
⊕ Solid Waste Management Fee Co	\$2,559,451	\$2,609,475	\$50,024	1.95%
⊕ Transfers From Other Funds	\$4,280,000	\$2,250,000	(\$2,030,000)	-47.43%
⊕ ABC Net Profit Distribution	\$2,750,000	\$1,490,017	(\$1,259,983)	-45.82%
⊕ Sheriff Fees	\$500,000	\$500,000	\$0	0.00%
Total	\$226,988,921	\$218,864,551	(\$8,124,370)	-3.58%

Historical Revenue Natural Growth & Approved Budget

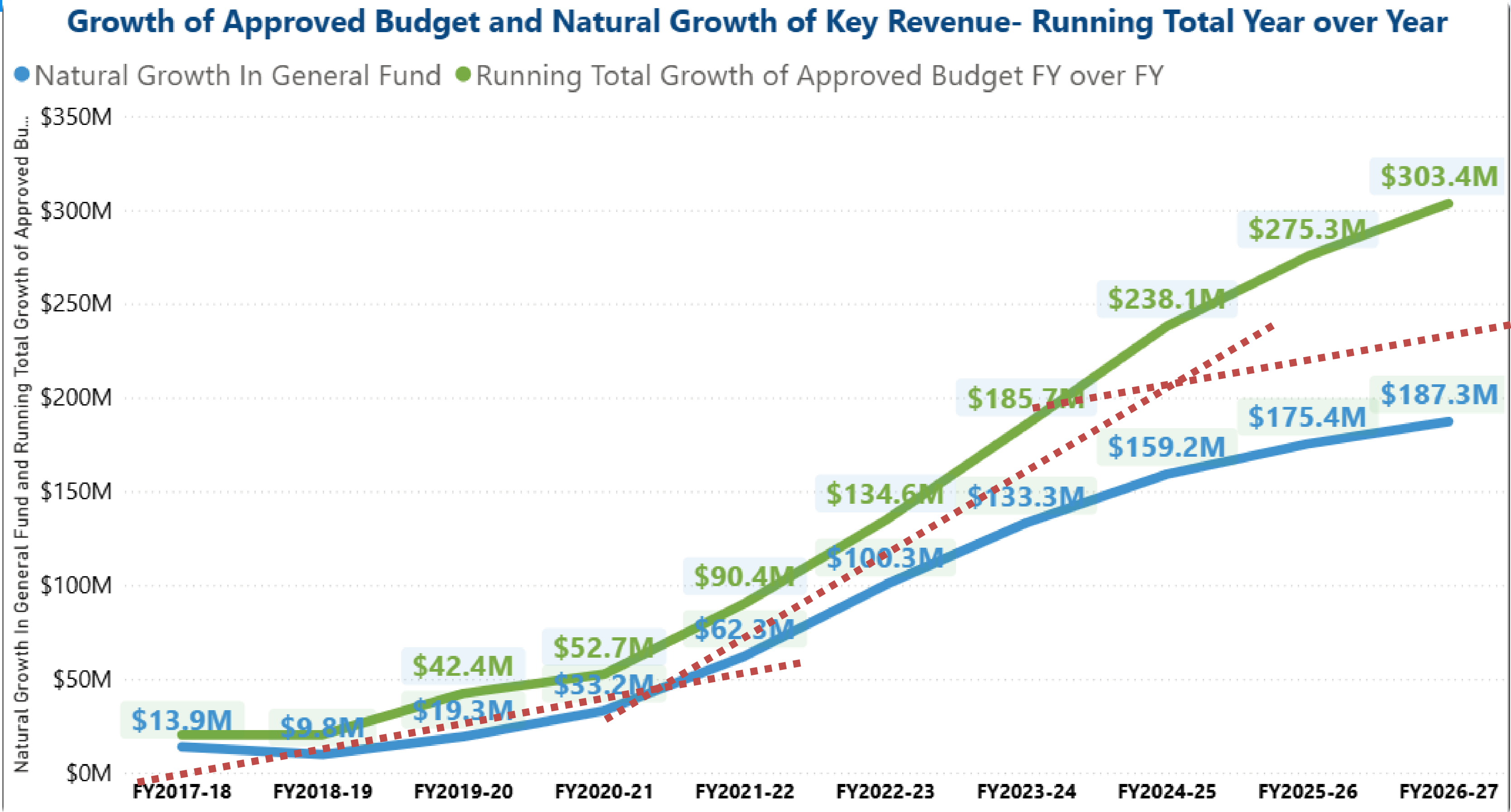


Growth of Approved Budget and Natural Growth of Key Revenue - vs. Prior FY

● % Change of Budgeted Expenditure Growth ● @ Change in Revenue Natural Growth



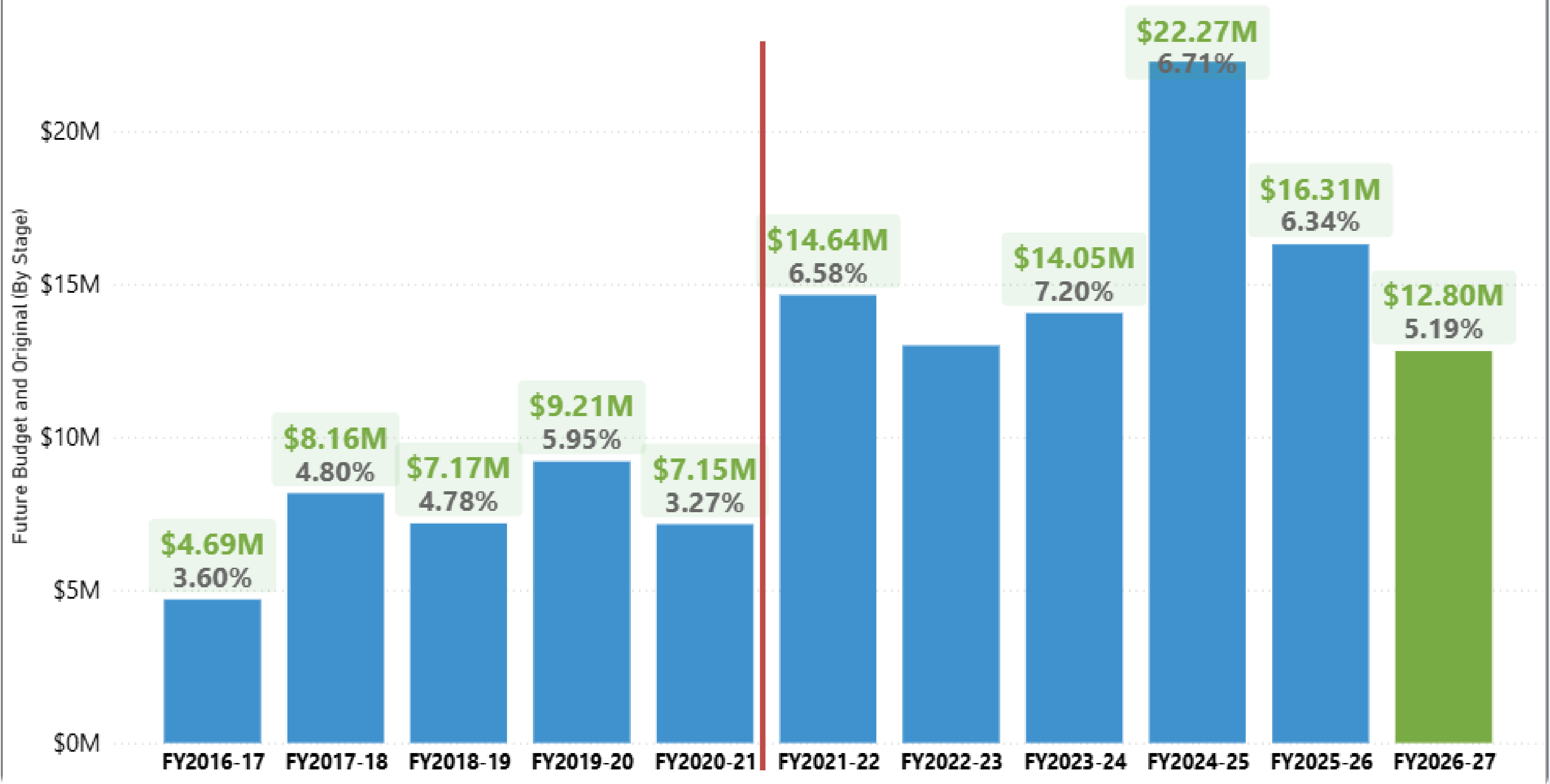
Historical Revenue Natural Growth vs. Approved Budget



EDUCATION Spending Fiscal Year Change



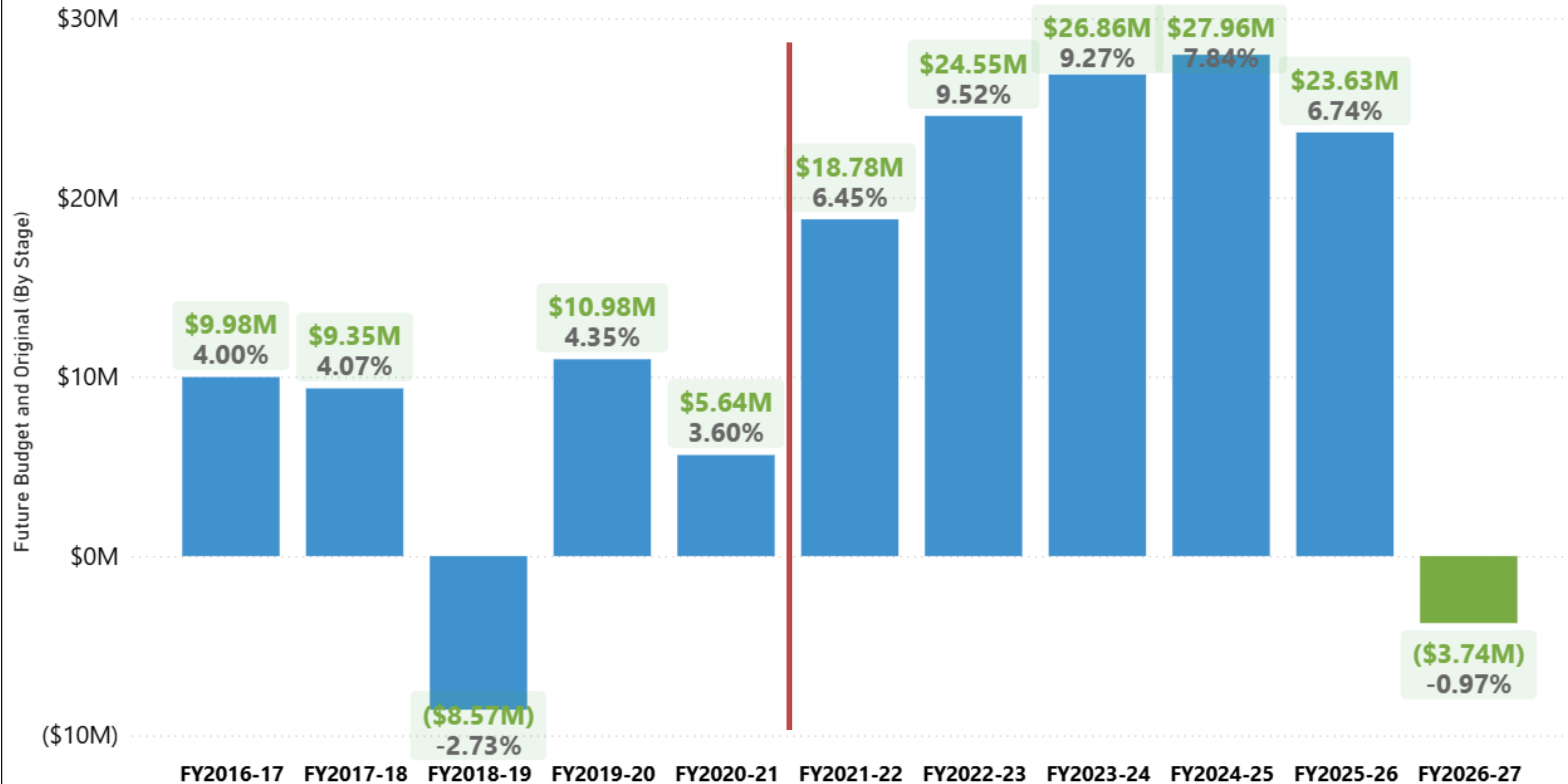
Historical Fiscal Year over Fiscal Year Change in Expenditure



OTHER THAN EDUCATION Spending Fiscal Year Change



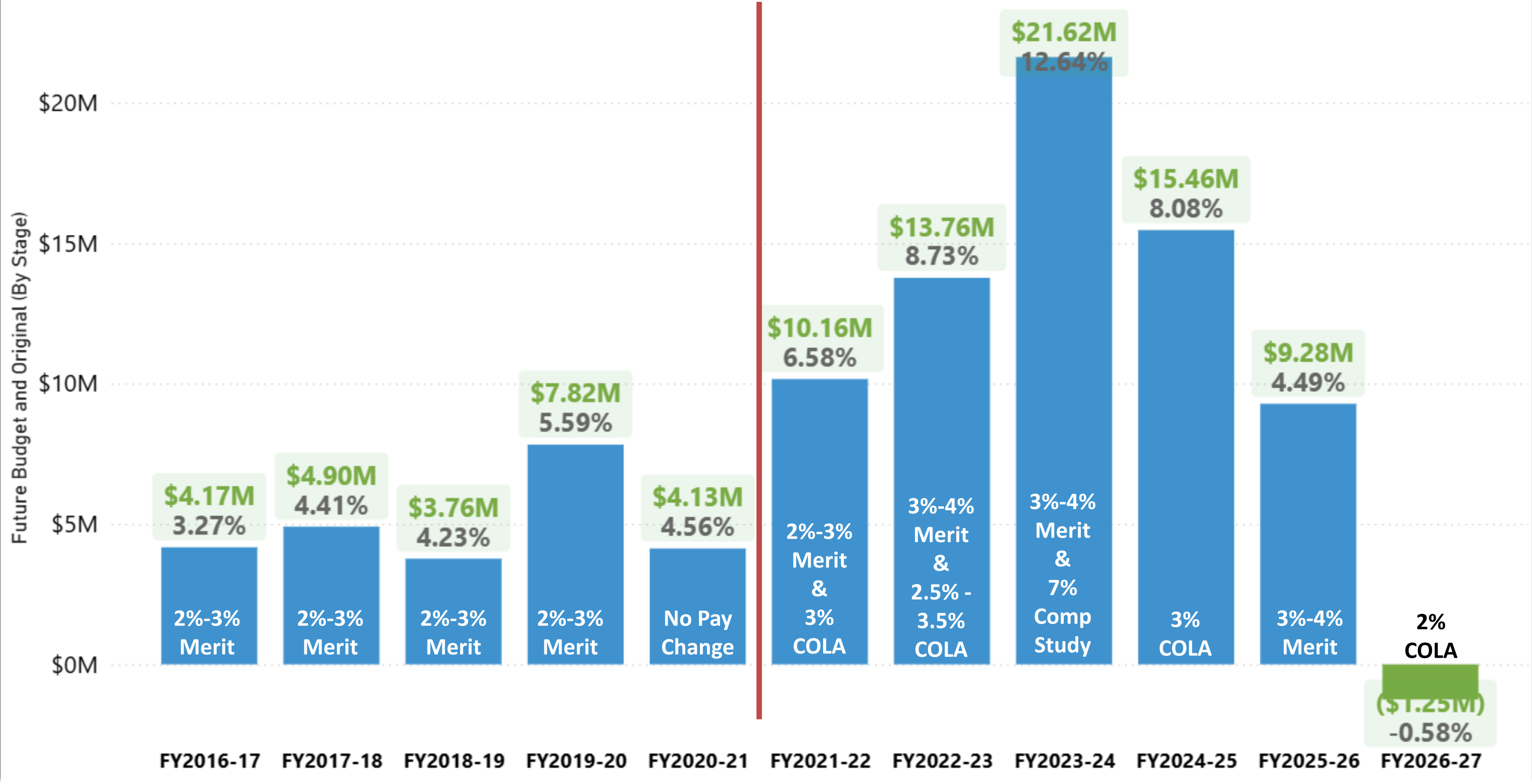
Historical Fiscal Year over Fiscal Year Change in Expenditure



PERSONNEL General Fund Expenditure Fiscal Year Change



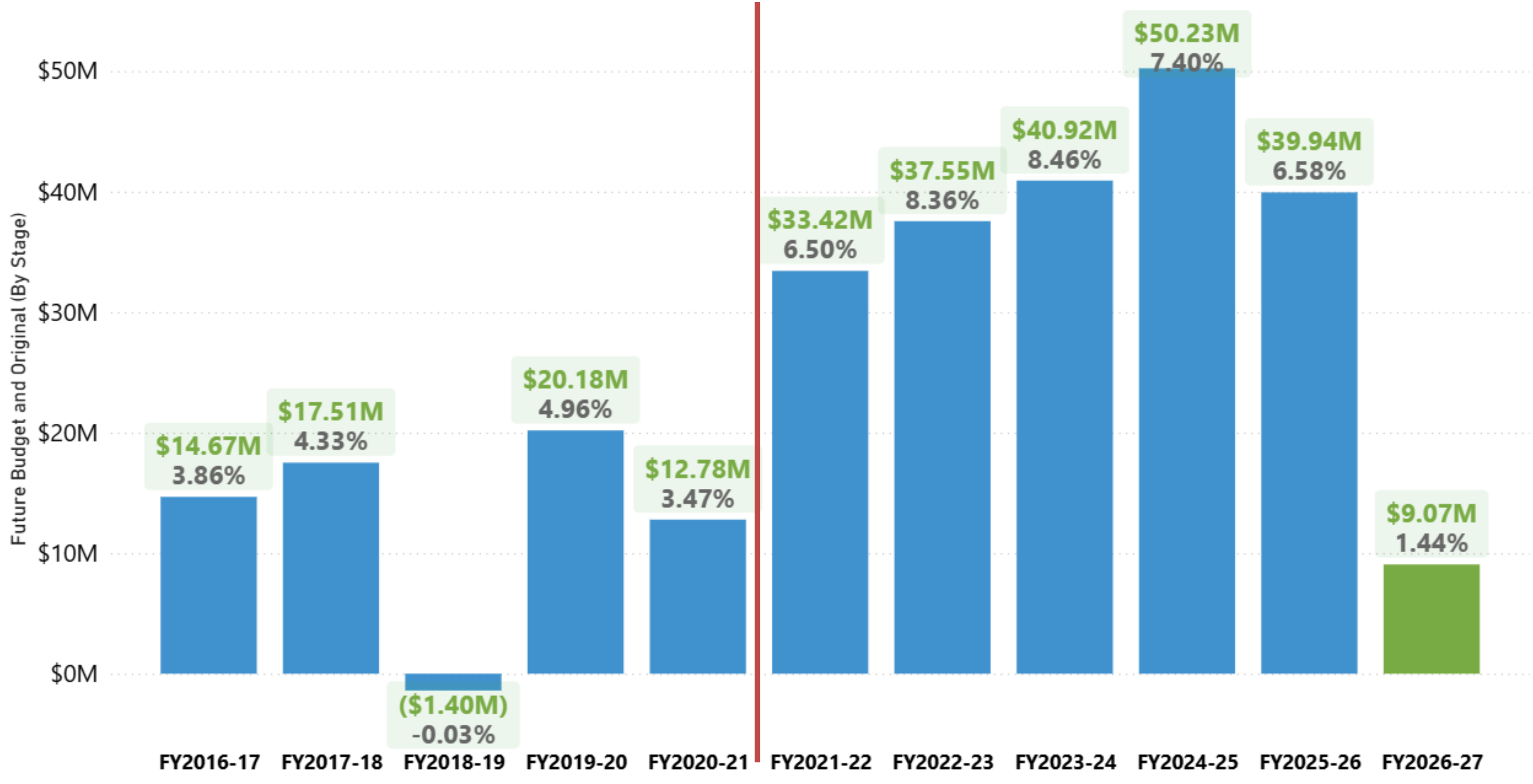
Historical Fiscal Year over Fiscal Year Change in Expenditure



ALL General Fund Expenditure Fiscal Year Change



Historical Fiscal Year over Fiscal Year Change in Expenditure



FY 2026-27 Expenditure Summary



0.67%

**\$1.045
BILLION**

TOTAL COUNTY BUDGET

Functional Area Name	FY 2024-25 Actuals	FY 2025-26 Original	FY 2025-26 Estimated	FY 2026-27 Requested	FY 2026-27 Recommend	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
General Government	\$157,608,714	\$193,312,411	\$200,132,095	\$205,352,503	\$198,495,560	\$5,183,149	2.68%
Public Safety	\$84,759,982	\$95,104,406	\$91,190,451	\$100,991,777	\$94,304,587	(\$799,819)	-0.84%
Transportation	\$1,541,844	\$4,544,472	\$4,753,125	\$3,540,686	\$3,379,501	(\$1,164,971)	-25.63%
Environmental Protection	\$6,048,888	\$7,866,848	\$10,991,046	\$7,082,487	\$6,698,784	(\$1,168,064)	-14.85%
Econom. & Physical Devlp.	\$9,458,279	\$10,419,457	\$10,501,211	\$11,101,018	\$10,478,754	\$59,297	0.57%
Human Services	\$101,200,148	\$114,315,668	\$109,686,862	\$114,802,435	\$109,983,320	(\$4,332,348)	-3.79%
Education	\$229,475,707	\$246,826,645	\$246,329,603	\$278,622,527	\$259,631,318	\$12,804,673	5.19%
Cultural & Recreational	\$16,232,094	\$17,317,877	\$16,243,817	\$18,045,111	\$16,938,710	(\$379,167)	-2.19%
Total	\$606,325,656	\$689,707,784	\$689,828,210	\$739,538,544	\$699,910,534	\$10,202,750	1.48%

1.48%

**\$699.9
MILLION**

GENERAL FUND BUDGET

All Funds Summary	FY 2024-25 Actuals	FY 2025-26 Original	FY 2025-26 Estimate	FY 2026-27 Requested	FY 2026-27 Recommend	\$ Change Rec. v. Orig.	% Change Rec. v. Orig.
General Funds	\$766,033,966	\$877,653,373	\$872,377,577	\$928,121,037	\$886,439,765	\$8,786,392	1.00%
Special Revenue Funds	\$16,322,069	\$18,369,774	\$18,306,330	\$19,102,089	\$19,215,101	\$845,327	4.60%
Debt Service Funds	\$103,059,190	\$116,589,842	\$110,439,044	\$113,147,262	\$111,634,693	(\$4,955,149)	-4.25%
Enterprise Funds	\$32,401,378	\$25,859,286	\$27,482,082	\$28,134,146	\$28,134,146	\$2,274,860	8.80%
Total	\$917,816,603	\$1,038,472,275	\$1,028,605,033	\$1,088,504,534	\$1,045,423,705	\$6,951,430	0.67%

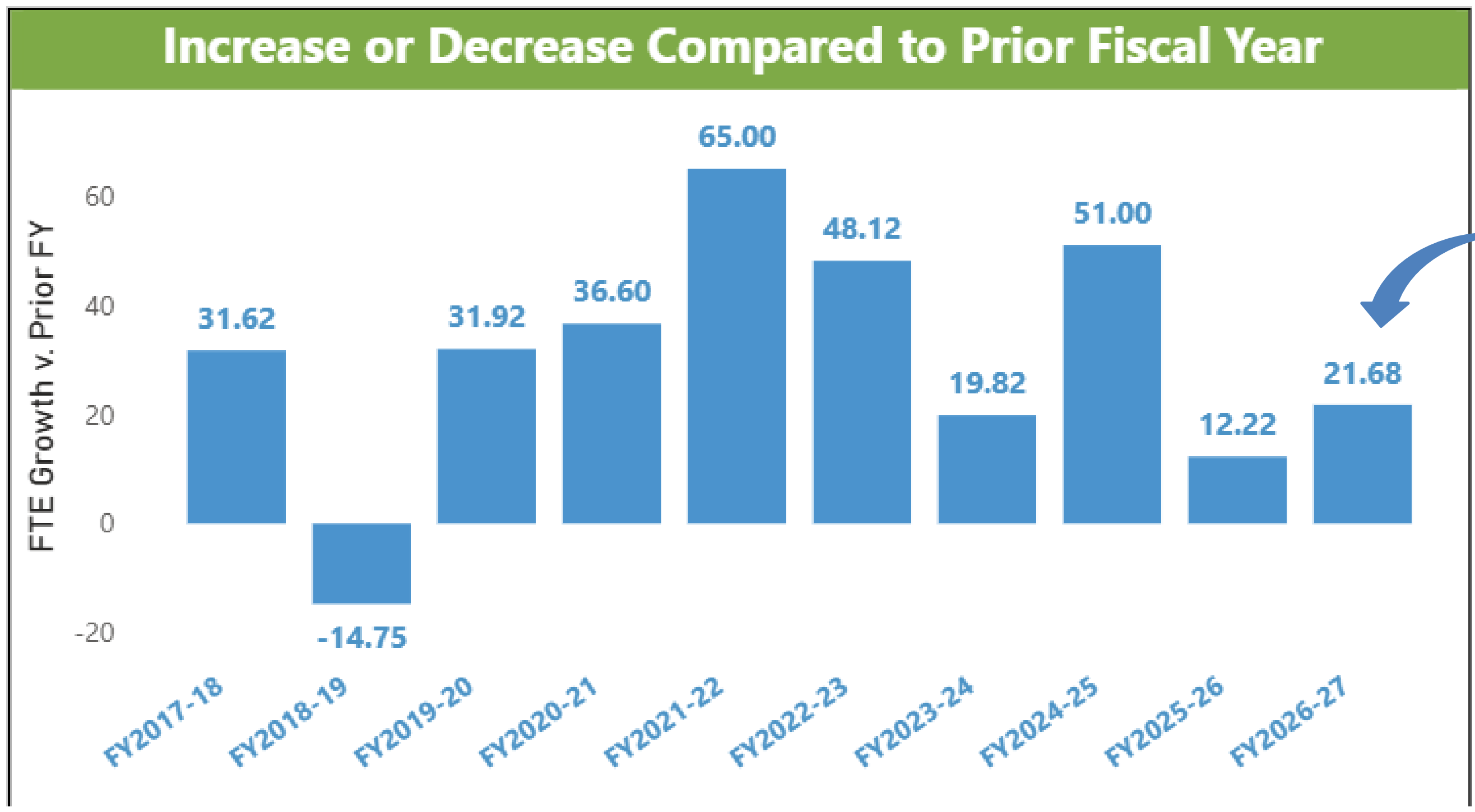
FY 2026-27 Budget Drivers



Priority Expenditures

1. **Additional funding support for DPS:** **\$10.89 million**
2. **Additional funding support for Pre-K** **\$1.27 million**
3. **Employee Benefits (Insurance):** **\$1.6 million**
4. **Employee compensation increases:** **\$3.6 million**
COLA: 2%
5. **Public Safety Needs** **\$1.23 million**
 - **EMS: New Ambulance Unit - \$1.23 million**
 - **Five new LEO positions reallocated from vacant Detention Officer positions**
5. **Departmental Reductions** **(\$6.2 million)**

New Position Growth



7.03 New FTEs in FY 2026-27 Budget

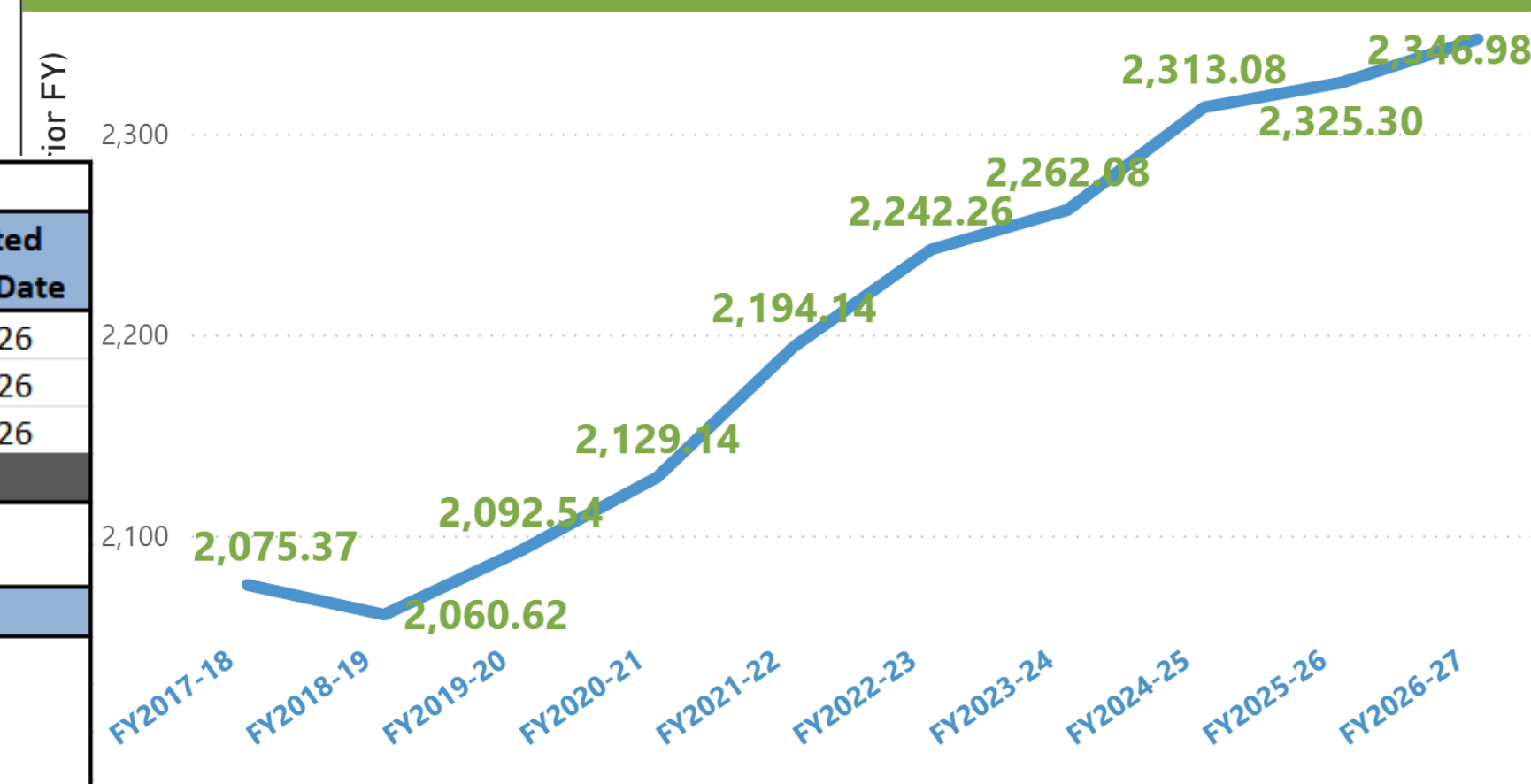
14.65 FTEs added during FY 2025-26

Durham County's population grew by 15.4% over the past decade. Additional staffing supported increased service demands. Some positions are offset by revenues.

New Position Growth



Recommended 10 Year All Funds Total FTEs



FY 2026-27 NEW FULL TIME EQUIVALENT

Department	Positions	FTEs	Salary and Benefits	Anticipated Starting Date
Office Of Emergency Services	Paramedic	10.00	\$671,000	07.01.2026
Justice Service Department	Human Services Clinical Counselor	1.00	\$74,296	07.01.2026
Public Health	DINE Program (Partial Reduction - Lost Grant Funding)	-4.97	\$0	07.01.2026
Net County FTE Cost		6.03	\$745,296.00	

* Vacancy rates across the County trend in the 17%-18% range (400-420 FTEs) during the fiscal year

Mid-Year General Fund FY 2025-26 Positions Changes

Cooperative Extension	Farm Manager (Grant Funded)	1.00		
Cooperative Extension	Parent Educator (Grant Funded)	0.65		
Office of Emergency Services	Peer Support Specialist (Moved to Opioid Fund)	-1.00		
General Services	Security Officers (Formerly Contracted Positions)	7.00		
Library	Digital Navigator (Grant Funded)	-3.00		

Total FY 2025-26 Mid Year General Fund Changes 4.65

Other Fund Approved FTEs

Risk Management	Risk Analyst	1.00	\$108,631	07.01.2026
Total		1.00	\$108,631.00	

Mid-Year Other Fund FY 2025-26 Positions Changes

Water and Sewer	Senior Project Manager	1.00		
Water and Sewer	Project Manager	1.00		
Water and Sewer	Provisional Positions	2.00		
Water and Sewer	Operations & Maintenance Technician	1.00		
Opioid Settlement Fund	Peer Support Specialist (Moved from General Fund)	1.00		
Opioid Settlement Fund	Community Paramedic	2.00		

Total FY 2025-26 Mid Year Other Fund Changes 8.00

Durham Public Schools Funding



Other DCo spending to support DPS

**4.85% increase
over FY 2025-26
Budget**

\$5 million recurring Capital Funding

\$10.9 million current expense increase

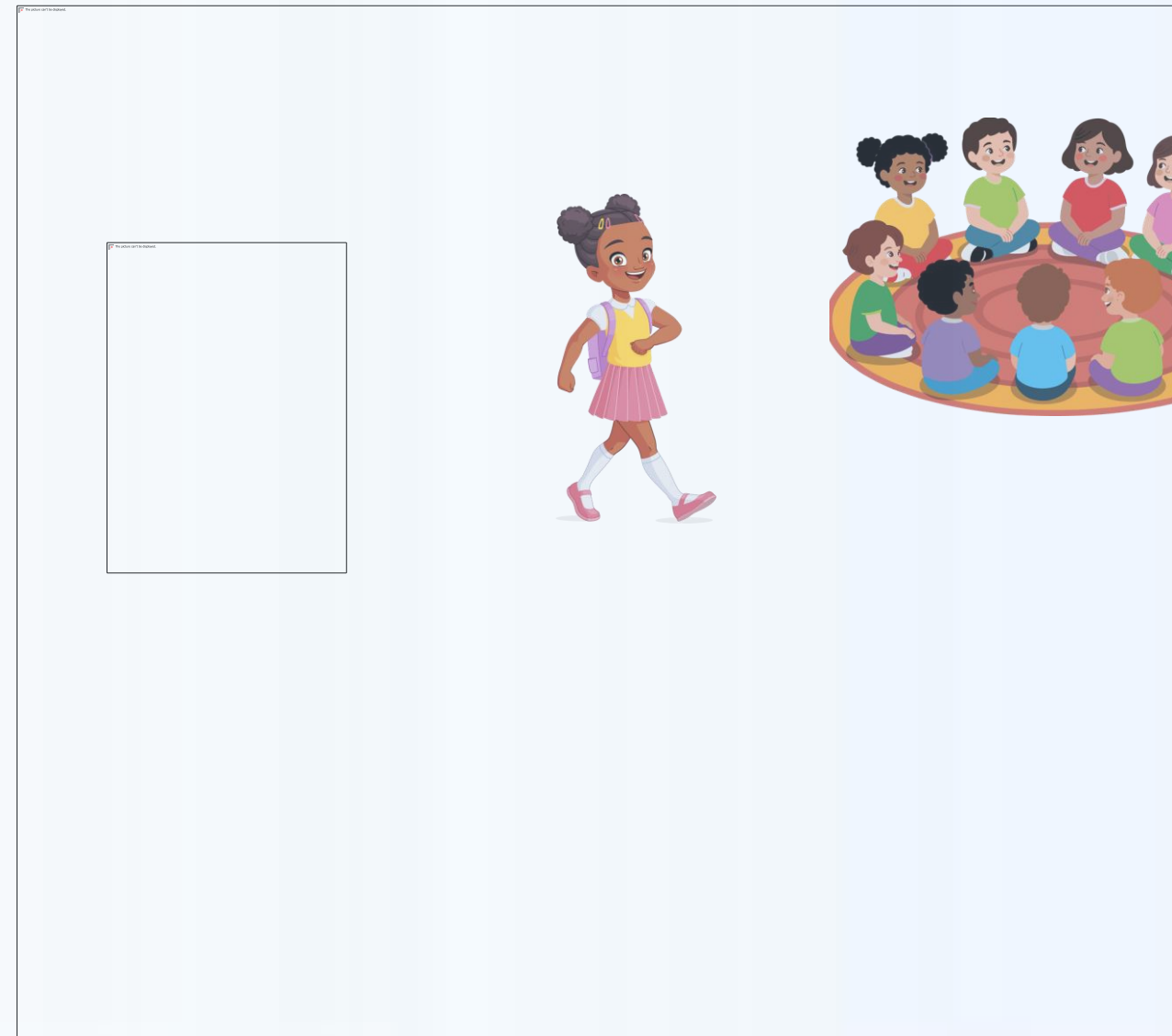
Total Funding = \$235,428,901

SROs \$2.6 million
Public Health \$3.7 million
Non-Profits \$627,050
DPS Debt Service \$70.3 million
Project Build Support \$1.2 million
Pre-K Support \$10.1 million
Total = \$88.52 million

Durham Public Schools Per-Pupil Funding



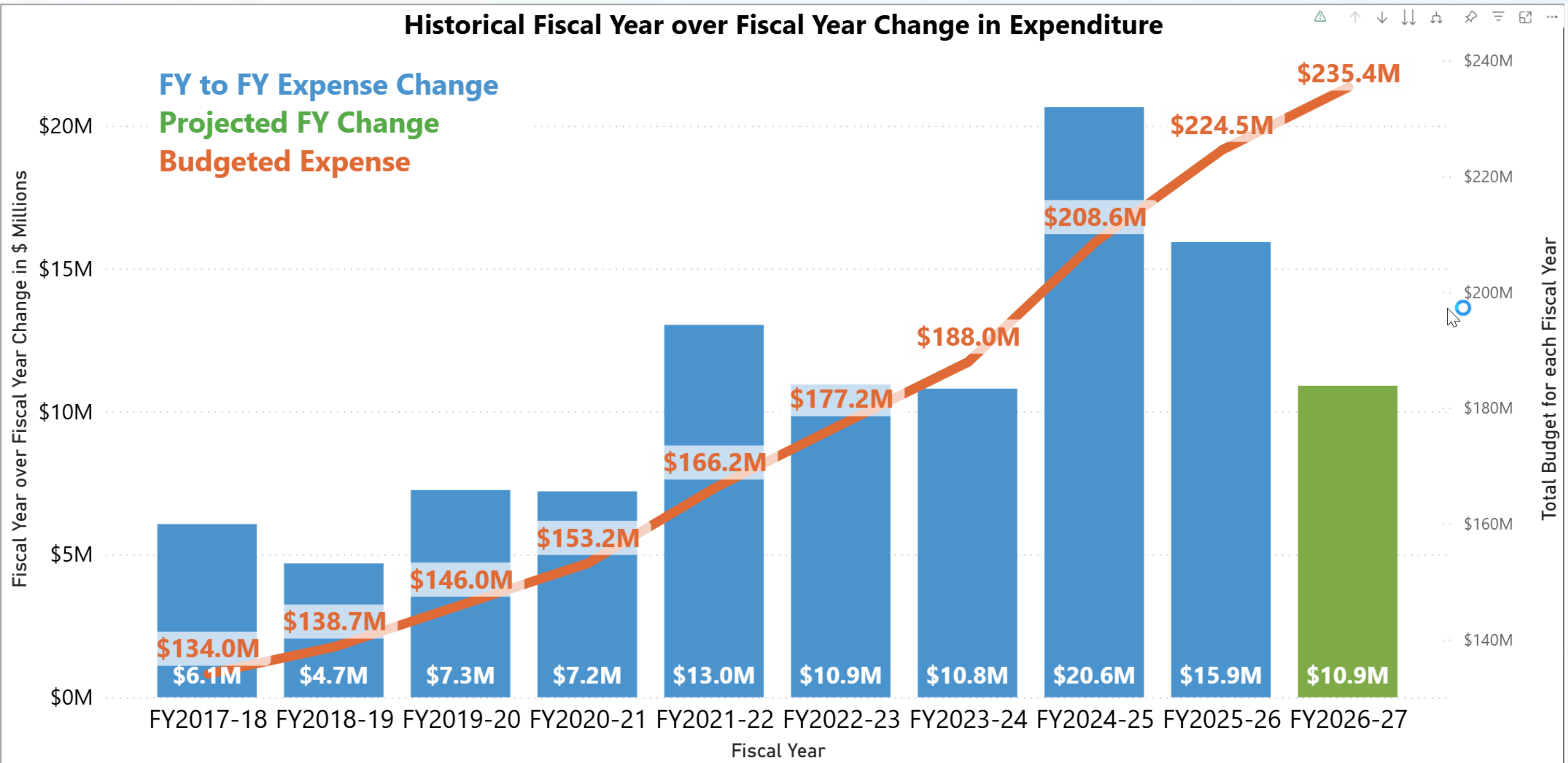
Per Pupil Funding Increases
\$368 (6.6%) to \$5,929



Durham Public Schools Allocations Historical Trends



Historical Fiscal Year over Fiscal Year Change in Expenditure



DURHAM COUNTY FUND STRUCTURE

GENERAL FUNDS

General Fund

Risk Management Fund

SWAP Fund

Reappraisal Reserve Fund

Capital Finance Plan Fund

Benefits Plan Fund

LEO Supp. Retirement Fund

Public Art Fund

Arrows are transfers (moving of dollars) from one fund to another fund

SPECIAL REVENUE FUNDS

Community Health Fund

RTP District Funds

Fire District Funds

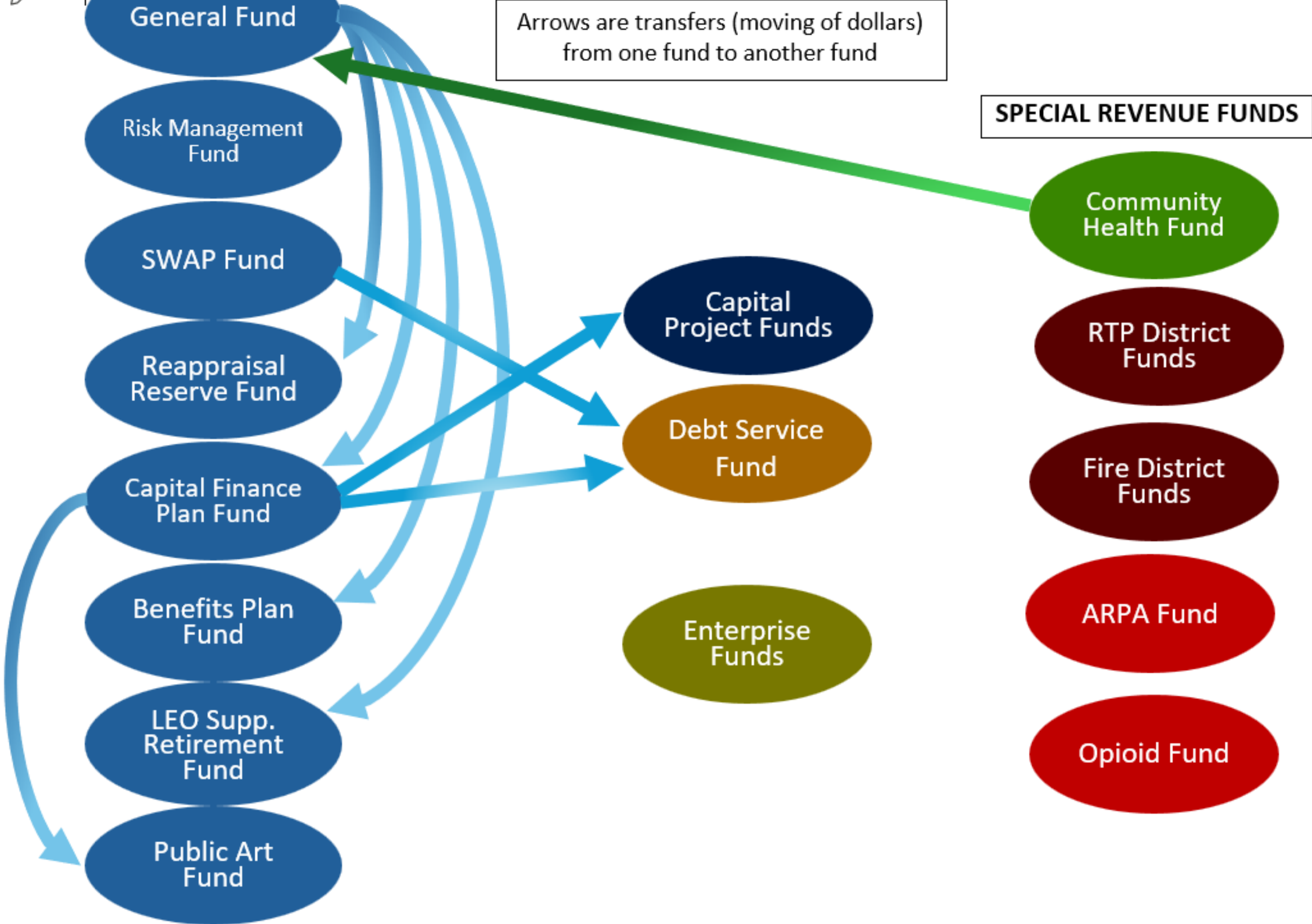
ARPA Fund

Opioid Fund

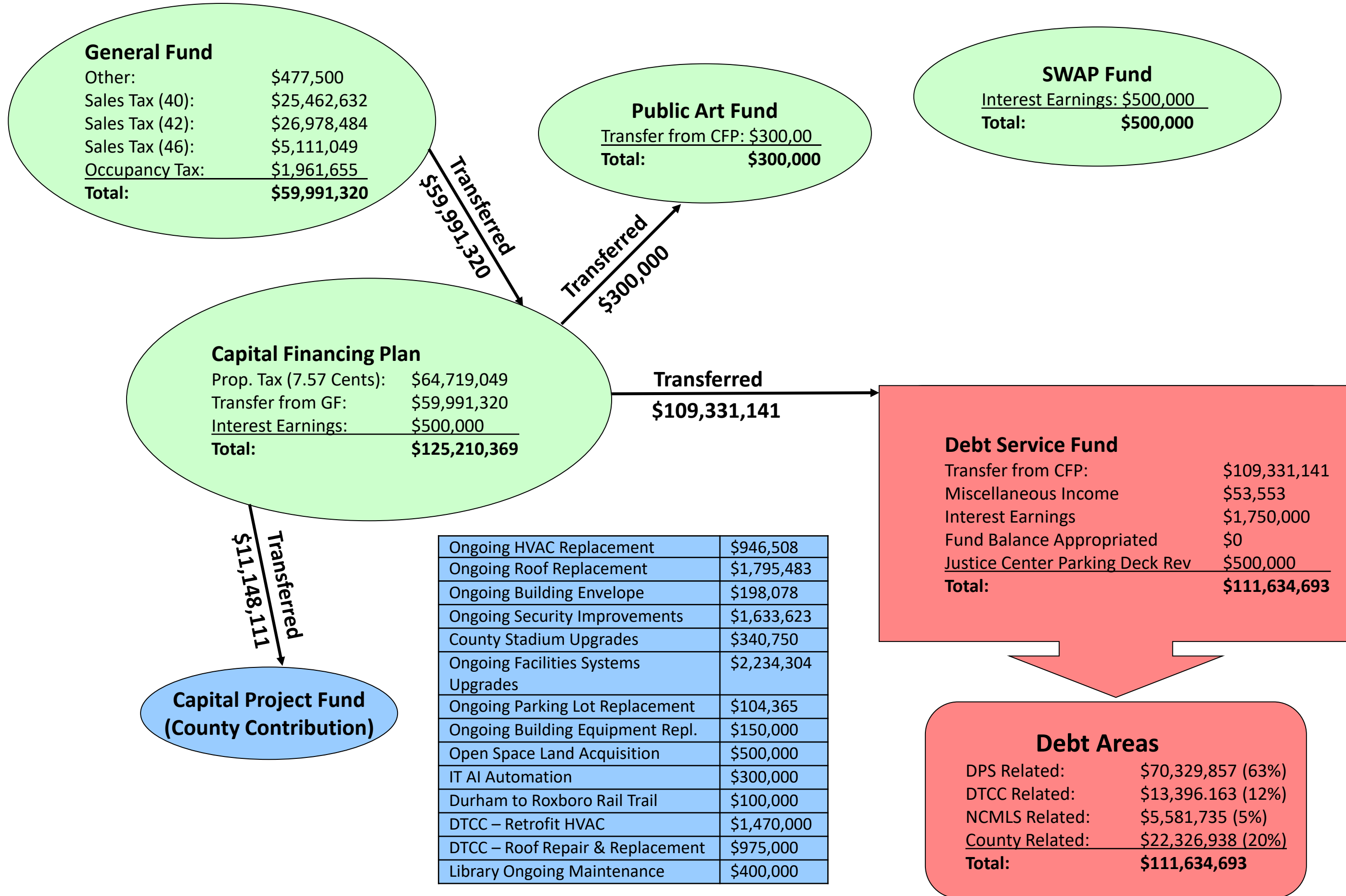
Capital Project Funds

Debt Service Fund

Enterprise Funds



Capital Improvement Plan Debt Funding FY 2026-27



FY 2026-27 Budget Timeline



- May 19th, May 21st
Budget Work Sessions
- May 26th
Public Hearing for FY 2026-27 Budget
- May 28th, June 2nd and 4th (if needed)
Budget Work Sessions
- June 8th
FY 2026-27 Budget Approval

BUDGET WORKSESSIONS

MAY 2026

19 WORKSESSION 9:00AM-3:30PM
Board of County Commissioners Chambers

21 WORKSESSION 1:00PM-5:00PM
Board of County Commissioners Chambers

26 PUBLIC HEARING 7:00PM
Board of County Commissioners Chambers

28 WORKSESSION 9:00AM-3:30PM
Board of County Commissioners Chambers

JUNE 2026

2 WORKSESSION 9:00AM-3:30PM
Board of County Commissioners Chambers

4 WORKSESSION 1:00PM-5:00PM
Board of County Commissioners Chambers

8 BUDGET ADOPTION 7:00PM
Board of County Commissioners Chambers

Worksessions provide County Commissioners time to explore citizen feedback and speak with County Management, department leaders, and community partners in order to shape a comprehensive budget for the upcoming fiscal year

