



FY 2026-27 BUDGET LIMITATIONS

The fundamental challenge of the FY 2026-27 budget is balancing significantly slowing growth in key revenues while continuing to support key priorities (with a minimal property tax rate increase).

PRIORITIES

- **Fiscal Stability** – Maintain fiscal stability and ensure core services are provided during time of economic and political uncertainty
 - Continued decrease reliance on fund balance appropriation (savings account) as revenue source to ensure future fiscal sustainability.
- **Public Safety Support** – Increased demand for EMS services through a growing population have put significant pressure on this department. Expansion of personnel and related operating costs are necessary to provide the level of service expected by residents.
- **Education** – Maintain significant local funding support for Durham Public Schools and overall county investment in education
- **Providing Services at Current Levels** – Reductions in funding across many departments as well as rising costs present real pressure on providing current department service levels. This budget strategically supports key focus areas to provide appropriate service levels.
- **Personnel Investment** – Funds for a 2% Cost of Living Adjustment (COLA) to salaries are included to support Durham County workforce.
- **Limiting Property Tax Growth** – Slowing “natural” growth in key revenues along with rising costs and reduced intergovernmental support put tremendous pressure on the County to find available revenue to support ongoing and current service levels. The approved property tax rate directly supports Durham Public Schools, EMS expansion, and increased funding for the County’s Pre-K investment.

GENERAL FUND BUDGET HIGHLIGHTS

Approved a 2.5 cent Property Tax Increase for General Fund

- 2.5 cent total County property tax rate increase = \$21.37 million
 - DPS Increase in funding - \$14.5 million
 - EMS ambulance unit expansion - \$1.23 million
 - Pre-K expansion funding - \$1.27 million (\$770,000 of former one-time ARPA funding)
 - Intergovernmental Revenue Loss - **(\$2.8 million)**

2% Departmental Budget Reductions Across General Fund (where applicable)

- Estimated \$6.2 million savings
 - COLA cost - \$3.6 million
 - Benefits Plan increase - \$1.6 million
 - Lost revenue coverage - **(\$600,000)**
- Program and service levels expected to stay the same, but there will be stress points with these reductions.
- Continued reductions in department operating budgets will force strategic reductions in services.
 - The Board will at some point have to weigh mandated and non-mandated service delivery with an eye towards reduced/eliminated programs/services.

Education Highlights

- **Increased Durham Public School funding - \$14.5 million**
- **Total Pre-K support of \$10.2 million, increased by \$1.27 million (\$770,000 replacing one time ARPA funding, and \$500,000 of new funding)**
- **DTCC funding increased 3% to offset inflation**

Personnel Highlights

- **Compensation Support for Employees through a 2% COLA - \$3.6 million**
- **Increased Benefits costs to provide coverage for County employees - \$1.6 million**
- **Limited number of new full-time positions - \$745,296 (does not include respective operating expenses)**



FY 2026-27 Budget Highlights – BOCC Approved



- 10 new FTEs in EMS to support the expansion of one full-time ambulance unit.
- One new FTE in Justice Service Department to help facilitate the expansion of mental health services for detainees at the detention center.
- **Continued hiring freeze to closely monitor and control expenses**

Other Tax District Highlights

- **Multiple Fire Tax Districts will receive increased property tax rates** (rates are per \$100 valuation).
 - Redwood Fire Tax District increase of 0.25 cents
 - New Hope Fire Tax District increase of 1.5 cents
 - Eno Fire Tax District increase of 2.0 cents
 - Mangum Fire Service District initial rate of 4.7 cents

EXPENDITURES – OVERVIEW

- The County’s “All Funds Budget” (overall County budget) is increasing by 1.09% or \$11.3 million.
 - General Funds are where most annual expenses occur, the growth in these funds is smaller than recent years in direct relation to the complicated fiscal pressures the County is experiencing. Most of this Summary document focuses on these funds.
 - Special Revenue Funds are the other tax districts, many of which will have tax rate increases to maintain and expand services.
 - Debt Service Funds are where the County pays for capital infrastructure over time (General Obligation bonds for schools, other bond types for County buildings and necessary renovations).
 - The Sewer Utility Enterprise Fund increased the rate that generates the bulk of its revenues. The Sewer Utility Fund plans to use the increased revenue to cover capital costs and annual capital debt.

All Funds Summary	FY 2024-25 Actuals	FY 2025-26 Original	FY 2025-26 Estimate	FY 2026-27 Requested	FY 2026-27 Approved	\$ Change Appr. v. Orig.	% Change Appr. v. Orig.
General Funds	\$766,033,966	\$877,653,373	\$872,377,577	\$928,121,237	\$890,773,471	\$13,120,098	1.49%
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	\$1,088,504,734	\$1,049,757,411	\$11,285,136	1.09%

Expenditures – General Fund

- The General Fund budget is growing by 2.11% over the prior year budget.
 - The General Government functional area increase is related to Benefits cost increases and funding set aside for a 2% COLA for employees.
 - If additional funding of \$16.5 million for the Education function (DPS, DTCC, and Pre-K) is not included, the total General Fund budget actually decreases \$1.9 million compared to the FY 2025-26 budget.
 - Much of the General Fund overall budget decrease is related to 2% reductions to County department budgets.
 - Of future concern is the annual increasing of Education related funding at the expense of County department funding and needs.

General Fund Expenditure Summary	FY 2024-25 Actuals	FY 2025-26 Original	FY 2025-26 Estimate	FY 2025-26 Requested	FY 2026-27 Approved	\$ Change Appr. v. Orig.	% Change Appr. v. Orig.
General Government	\$157,608,714	\$193,312,411	\$200,132,095	\$205,352,503	\$198,496,258	\$5,183,847	2.68%
Public Safety	\$84,759,982	\$95,104,406	\$91,190,451	\$100,991,777	\$94,363,587	(\$740,819)	-0.78%
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	\$6,698,086	(\$1,168,762)	-14.86%
Econom. & Physical Devlp.	\$9,458,279	\$10,419,457	\$10,501,211	\$11,101,018	\$10,480,754	\$61,297	0.59%
Human Services	\$101,200,148	\$114,315,668	\$109,686,862	\$114,802,435	\$110,606,026	(\$3,709,642)	-3.25%
Education	\$229,475,707	\$246,826,645	\$246,329,603	\$278,622,527	\$263,281,318	\$16,454,673	6.67%
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	\$704,244,240	\$14,536,456	2.11%

*See Functional Area details below for information regarding changes



FY 2026-27 Budget Highlights – BOCC Approved



PERSONNEL CHANGES

The table illustrates changes that occurred during FY 2026-27, as well as approved new and reallocated FTEs for the new fiscal year.

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)	-4.00	\$0	07.01.2026
Net County FTE Cost		7.00	\$745,296.00	
<i>* Vacancy rates across the County trend in the 17%-18% range (400-420 FTEs) during the fiscal year</i>				
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 Fund	Senior Project Manager	1.00		
Water and Sewer Fund	Project Manager	1.00		
Water and Sewer Fund	Provisional Positions	2.00		
Water and Sewer Fund	Operations & Maintenance Technician	1.00		
Total FY 2025-26 Mid-Year Other Fund Changes		5.00		

REVENUES – OVERVIEW

Property Valuation

- Valuation of all County Real Property (residences, businesses, buildings, etc.) was updated, through a county-wide reappraisal process, to reflect the fair market value of those properties on January 1, 2025. Appeals received for this process were higher than seen in prior years and resulted in an overall reduction in valuation for the County at higher than anticipated amounts. This affects two different fiscal years. The collections for FY 2025-26 will not be received at the budgeted amount, as well the new base amount that FY 2026-27 has to build off is lower than typical. In other words, instead of the County's typical growth rate of around 3% adding on top of budgeted revenues of \$409 million in the General Fund for FY 2025-26, the new floor for projected growth to start from is the projected actual collections of \$399.7 million.

Property Category	FY 2025-26 Original	FY 2026-27 Approved	% Change FY to FY
Real Property	\$74,996,323,716	\$74,152,966,121	-1.12%
Business & Personal Property	\$6,340,027,998	\$6,836,598,821	7.83%
Public Service	\$760,068,472	\$886,470,390	16.63%
Motor Vehicle	\$3,658,916,952	\$3,961,436,978	8.27%
Total	\$85,755,337,137	\$85,837,472,310	0.10%



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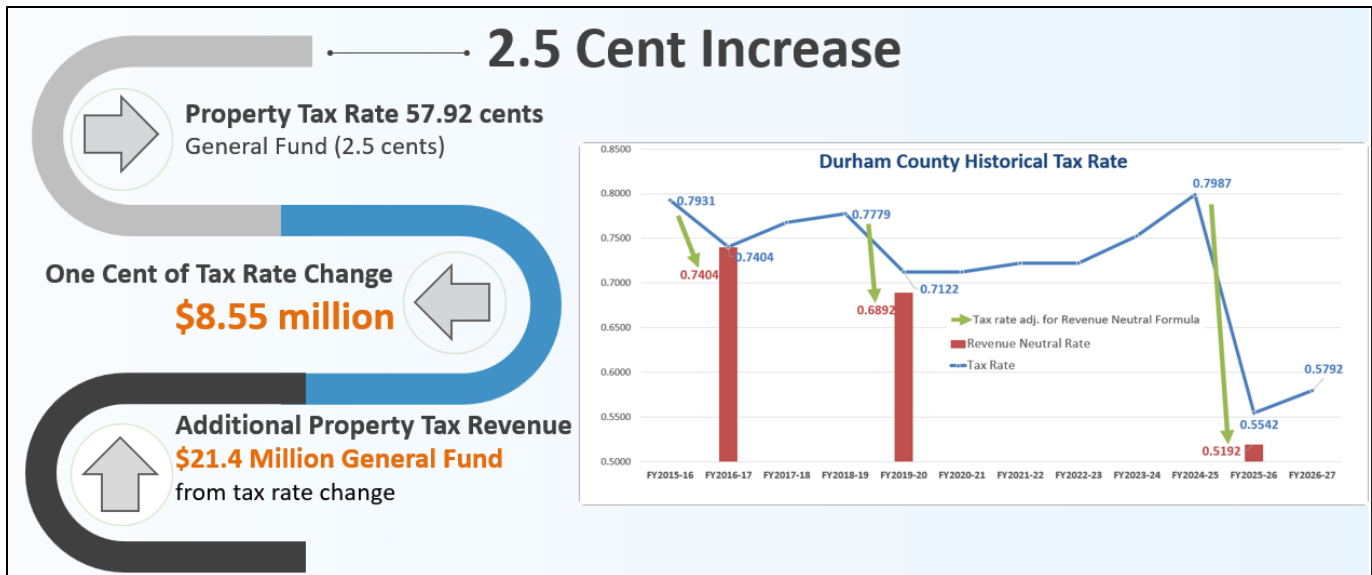


Natural Growth and Property Tax Rate

- Natural growth in the property tax base occurs every year (i.e., a formerly empty lot now has a house on it, therefore adding to the taxable value). This natural growth creates new revenue available to the County

Fund Name	FY 2025-26 Original	FY 2026-27 Approved	FY 2026-27 Projected Revenue
General Fund	47.85	50.35	\$430,962,906
Capital Finance Plan Fund	7.57	7.57	\$64,719,051
Total	55.42	57.92	\$495,681,957

without a tax rate change. For FY 2026-27 the natural growth percentage growth for Durham County is projected to be 3.3%. The revenues that can be attributed to this increase are approximately \$11 million between the General and Capital Financing Fund. However, due to the issues discussed above regarding the lower base amount, used to start the new fiscal year, this appears as only \$453,772 when comparing budget-to-budget growth. An additional \$21,373,531 is being captured from a two- and one-half cents tax rate increase, for a total increase (when comparing FY 2025-26 budgeted amount to FY 2026-27) of \$21,826,898 for the General and Capital Financing Fund.



- Per best practice, due to higher than typical appeals last fiscal year, larger holdback amounts (conservative approach to valuation projections being used) have been factored in for FY 2026-27.
- The property tax collection rate is maintained at 99.6%.
- Each additional cent on the property tax rate brings in \$8,549,412 million of revenue, a small increase over the \$8,541,232 FY 2025-26 one cent amount.

Sales Tax Highlights

- Durham County has an estimated total 2.3% increase in all local sales taxes for FY 2026-27 from the previous year's approved budget.
- Total FY 2025-26 budgeted sales tax revenue for Durham County is \$133 million. For perspective this is equivalent to 15.6 cents of property tax revenue.

- The year-over-year sales tax revenue increase equates to \$3.02

Sales Tax	FY 2023-24 Actuals	FY 2024-25 Actuals	FY 2025-26 Original	FY 2025-26 Estimate	FY 2026-27 Approved	\$ Change Appr. v. Orig.	% Change Appr. v. Orig.
Article 39 (1 Cent)	\$32,992,127	\$28,616,031	\$33,994,836	\$31,100,000	\$33,357,248	(\$637,588)	-1.88%
Article 40 (1/2 Cent)	\$22,982,447	\$23,526,004	\$23,828,028	\$24,480,000	\$25,462,632	\$1,634,604	6.86%
Article 42 (1/2 Cent)	\$25,440,015	\$23,999,359	\$26,359,571	\$25,525,000	\$26,978,484	\$618,913	2.35%
Article 46 (1/2 Cent)	\$22,517,505	\$21,022,943	\$23,334,809	\$22,400,000	\$23,709,884	\$375,075	1.61%
City Sales Tax ILA	\$24,232,468	\$23,022,397	\$22,502,908	\$23,730,000	\$23,536,440	\$1,033,532	4.59%
Total	\$128,164,562	\$120,186,733	\$130,020,152	\$127,235,000	\$133,044,688	\$3,024,536	2.33%

million. The pace of growth for sales tax revenue has been slowing since FY 2023-24, but a significant unexpected



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decline was experienced in FY 2024-25. FY 2025-26 estimates may also trend lower than what was originally budgeted. The County is closely assessing sales tax trending not only for next year, but future fiscal years.

- FY 2026-27 sales tax revenue estimates have built in modest growth at 4%, but from a lower estimated starting point than typical.

General Fund Fund Balance

- The use of General Fund fund balance as a revenue source is typically used as a “balancing” number. This revenue source is rarely expected to be needed unless the spending environment during the fiscal year is significantly different from when the budget was originally created. Including fund balance as revenue also allows for revenue estimates to err on the slightly conservative side, while ensuring expense capacity is available for departments to meet their proposed budgets. Largely because of lower overall trended revenue collections in the current fiscal year more FY 2025-26 fund balance may be used than typical. To ensure the future fiscal sustainability of the County overall, the amount of fund balance used as a revenue source budgeted in FY 2026-27 has been reduced by \$4.5 million.

Other General Fund Key Revenues

General Fund Other Key Revenues	FY 2024-25 Actuals	FY 2025-26 Original	FY 2025-26 Estimate	FY 2026-27 Approved	\$ Change Appr. v. Orig.	% Change Appr. v. Orig.
Deed Registration and Transfer Fees	\$5,558,709	\$5,900,000	\$7,277,031	\$6,900,000	\$1,000,000	16.95%
EMS Patient Fees	\$18,727,597	\$16,060,000	\$18,002,780	\$18,077,000	\$2,017,000	12.56%
Fund Balance Appropriated		\$23,888,787		\$19,407,139	(\$4,481,648)	-18.76%
Investment Revenue	\$7,994,671	\$7,325,000	\$8,000,000	\$7,825,000	\$500,000	6.83%
Local Occupancy Tax (General Fund)	\$4,542,631	\$2,833,333	\$2,834,269	\$1,416,667	(\$1,416,666)	-50.00%
Local Occupancy Tax (NCMLS)	\$500,000	\$500,000	\$500,000	\$500,000	\$0	0.00%
Solid Waste Management Fee Co	\$2,380,369	\$2,559,451	\$2,559,168	\$2,609,475	\$50,024	1.95%
State Hold Harmless Funds	\$12,650,279	\$10,000,000	\$10,000,000	\$9,000,000	(\$1,000,000)	-10.00%
Total	\$52,354,255	\$69,066,571	\$49,173,248	\$65,735,281	(\$3,331,290)	-4.82%

- Register of Deeds revenue has significantly increased after recent declines. The projection for FY 2026-27 increases are based on recent upward trending.
- The FY 2026-27 EMS patient fees budgeted amount accounts for increases due to increased collections related to a new Medicaid provider contract and an increase in patient fees from 200% of the Medicare Fee Schedule (MFS) to 300% of the MFS. *See Emergency Services below for further details.*
- Fund Balance Appropriated is discussed above.
- Investment income is interest earned on County cash held in various banking institutions. This area has been particularly variable in the past three to four fiscal years. For FY 2026-27, the budget is increased to reflect recent trending in this revenue source.
- Starting in FY 2025-26 the amount the County retains of Local Occupancy Tax for its capital funding needs started being reduced by 1/3 over three fiscal years until all the funding is allocated directly to Discover Durham. FY 2026-27 is the second year of that 1/3 reduction.
- In recent years this State Hold Harmless revenue source has grown significantly with a high of \$12.3 million being received in FY 2022-23. The amount has since stabilized at a lower amount in the \$9 million to \$10 million range. Final amounts for FY 2025-26 will not be available until the summer of 2026. The budget for FY 2026-27 is being adjusted down \$1 million based on trending and expected economic trending during the upcoming fiscal year.

General Government Expenditure Highlights

County Administration

- The County Administration budget shows a decrease of \$3,616,970 associated with a July 2025 reorganization. This updated structure increases operational efficiencies for functions that were previously housed in County Administration and were moved to four new departments. A net total of 21 positions were reallocated in this effort.



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- One Assistant County Manager position was reclassified and reallocated to the Board of Elections as part of a reorganization done in FY 2025-26.

General Services

- The budget also supports an annual contract with a new County Security contractor, as well as seven new full-time FTEs - formerly contracted positions - in the Security Division (these positions were approved by the Board in late FY 2025-26). \$558,359
- Total funding of \$54,630 will support salary increases given to General Services staff during FY 2025-26.
- Additional funding of \$16,500 will support Overtime work by the General Services Janitorial staff.
- The Solid Waste sticker fee will increase from \$181 per household annually to \$185 per household annually to support increases in contracted services, as well as compensate for a declining recycling market.

Public Safety Highlights

Sheriff's Office

- Additional funding of \$630,000 has been approved to address the rising costs associated with Aramark's management of the detention center food service contract.
- Addition of five FTE Law Enforcement Officers to maintain timely responses to emergencies in the community. These positions are reallocated from vacant detention officer positions, which can be re-established mid-year if vacancy levels decrease.
- \$36,663 [3%] inflationary increase to Animal Protection Society contract to run the Animal Shelter for a total of \$1,258,760.
- Funding of \$3,042,502 is provided for 39 replacement vehicles and upfit costs (30 SUV patrol vehicles, three 4-door pick-ups, one specialty vehicle, one motorcycle, and four sedans). These vehicles will enable the Sheriff's Office to continue to provide efficient and effective responses to county emergencies.
 - See vehicle & equipment summary below for further information.

Office of Emergency Services

- Funding of \$1,233,114 is budgeted to add an additional 24-hour ambulance unit to the EMS Fleet. 10 additional Paramedic positions with associated uniforms and protective equipment costs and one ambulance are included. Expansion of the EMS fleet is needed to meet the increased demands due to population growth in the community. *See vehicle & equipment summary below for further information.*
- A funding increase of \$185,000 is budgeted to EMS for additional funding for vehicle maintenance and repairs. This increase comes because of rising repair costs due to inflation-related adjustments and an aging vehicle fleet.
- \$3,100,670 in funding is approved for five replacement ambulances, one replacement SUV, and one new ambulance to support expanded EMS operations. The total amount includes associated upfit costs. *See vehicle & equipment summary below for further information.*
- The Emergency Medical Services Division proposes an increase to the current fee schedule, moving EMS patient fees from 200% of the Medicare Fee Schedule (MFS) to 300% of the MFS to account for the increased cost of service and move in line with industry best practices. The MFS, adjusted annually, received a 2% inflationary increase this year.

Youth Home

- Funding of \$100,000 is approved to maintain ongoing operating support, addressing the increased contracted service costs associated with the temporary housing of youth outside the county.

Justice Service Department

- Funding of \$76,296 is provided for a Human Service Clinical Counselor (1 FTE). This position will help facilitate the expansion of mental health services for detainees at the detention center.
- Additional operating funding of \$42,568 is approved to address the growing demand for ongoing Psychological Services and mental health support within the detention center.



Transportation Highlights

Transportation

- A funding increase of \$700,000 is included to provide services and improvements related to the Durham Transit Plan Update and Work Program. These costs are fully reimbursable via Durham Transit Plan administrative costs, creating a net-zero increase in County costs.
- A funding increase of \$25,592 is included to cover increased dues for the Triangle West Transportation Planning Organization.
- The Transportation Functional Area budget shows a decrease of 25.6% related to a decrease in funding requested for contracted projects that are ongoing. As needed these obligations will be rolled forward from FY 2025-26 to FY 2026-27 to allow for completion.

Environmental Protection

Engineering

- Engineering and Environmental Service's approved budget reflects a 23.75% decrease that is largely due to a reduction in the Sustainability Office's contract line. The office expended or obligated the majority of a \$1.5 million Department of Energy's Energy Burden & Emissions Reduction Program grant in FY 2025-26 and expects to spend the remainder in FY 2026-27.

Economic & Physical Development Highlights

Cooperative Extension

- Funding of \$320,000 for Food Security Grants in Cooperative Extension. These funds will be distributed within the community to improve food security through partnerships with local nonprofits like Farmer Foodshare, etc.

Economic Development

- Funding of \$2,561,302 allocated for Economic Development Incentive payments for businesses that meet scheduled performance criteria. There is a decrease of \$21,429 from FY 2025-26.

Human Services Highlights

Public Health

- \$653,179 Inflationary increases in support of medical and behavioral healthcare services to our detainees in both the Durham County Detention Center and Durham County Youth Home.
- Master Aging Plan; Total: \$300,000, County Share: \$150,000: Funding to implement the 2025-2029 Master Aging Plan through the County's partnership with Aging Well nonprofit.
- Due to American Rescue Plan Act (ARPA) funding ending December 31, 2026, salary and benefits funding of \$332,150 for three school health nurses that were formerly being paid by ARPA funds, has been added to Public Health within the General Fund to account for the loss in ARPA funding.
- The Durham Innovative Nutrition Education Program (DINE) has been reduced by 4.00 FTE positions with a corresponding funding decrease of \$634,367. This change is the result of a loss in federal revenue that has historically supported the program. Due to these funding constraints, sustaining the program at its previous level is no longer financially feasible. Funding to support this new County expense is coming from reallocated expenses in multiple areas and revenue being reallocated within Public Health. Durham County recognizes the significant impact these changes have on the employees in the affected positions and are committed to supporting them during this transition.

Alliance: Mental Health

- Funding of \$2,364,862 continues to support Alliance's contracted services. Funding is included for the Durham County Crisis Support Center and partnerships with local mental health stakeholders. While the budget represents a reduction in County funding from the previous year, it does not reflect a reduction in services provided by Alliance. Due to Medicaid transformation, Alliance is receiving increased revenues from the state. In accordance



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with state law, these state funds must be utilized prior to county funds. As a result, the decrease in county contribution simply reflects the availability of additional state resources, allowing the county to reduce its financial commitment without impacting on the level or quality of services delivered.

Community Intervention & Support Service

- Funding of \$425,000 is included to sustain ongoing programming efforts for the Hayti Reborn initiative.
- Funding of \$250,000 is included for the development and implementation of a joint comprehensive violence reduction plan with the City of Durham aimed at reducing community violence through coordinated, evidence-based strategies.

Other Human Services

- An increase of \$13,325 (3%) is provided to support increased operating expenses for Urban Ministries of Durham, for a total of \$548,681.
- Funding of \$500,000 to provide additional support for homelessness Strategic Plan as it moves forward.

Education Expenditure Highlights

Durham Public Schools (DPS)

The FY 2026-27 Approved Budget for DPS includes \$317.16 million in direct and indirect funding.

- \$239.08 million from the General Fund
- \$70.33 million from the Debt Service Funds
- And \$7.75 million in DPS support within other departments (Sheriff School Resource Officers, Public Health school nurses, Project Build, and several school related nonprofits)

	FY 2024-25 Actual	FY 2025-26 Original	FY 2026-27 Requested	FY 2026-27 Approved
Current Expense	\$206,601,332	\$219,528,912	\$245,229,039	\$233,078,901
Capital Outlay	\$2,000,000	\$5,000,000	\$7,823,488	\$6,000,000
County Funding Total	\$208,601,332	\$224,528,912	\$253,052,527	\$239,078,901
ARPA Capital Outlay	\$6,000,000	\$0	\$0	\$0
ARPA Title I Support	\$716,624	\$723,376	\$0	\$0
Tota Direct DPS Funding	\$215,317,956	\$225,252,288	\$253,052,527	\$239,078,901
DPS Debt Service	\$51,719,972	\$61,792,616	\$67,873,001	\$70,329,857
TOTAL FUNDING	\$267,037,928	\$287,044,904	\$320,925,528	\$309,408,758

The DPS Board of Education budget total increase request for FY 2026-27 was over \$28.5 million, a 12.7% increase over FY 2025-26 approved local support in current expense funding. \$25.7 million was in additional current expense funding and \$2.82 million in additional capital outlay funding.

- The FY 2026-27 Approved budget supports a 6.48% increase in total funding to \$239,078,901:
 - An additional \$10,899,989 in County funding for current expense meets the DPS continuation funding as seen in the table to the right.
 - Additional funding of \$2.65 million was added after the Board of Commissioners’ deliberations to support movement of classified salaries towards a living wage. DPS agreed to find additional savings within their budget along with additional County funding to reach an \$18.22 minimum hourly salary range for classified employees.
 - An additional \$1 million of annual capital outlay funding was also added after Board deliberations.

DPS Continuation Funding Requests	
Salaries & Benefits Increase	\$6,156,743
Utilities Increases	\$1,171,670
Insurance Increases	\$737,579
Charter School Share of Expansion	\$2,833,997
Total	\$10,899,989
DPS Expansion Funding Requests	
Classified Pay Increase	\$10,562,874
Transportation Safety Assistant Supplement	\$86,658
Occupational and Physical Therapist & Therapist Assistant Salary Schedule Change	\$302,596
Charter School Share of Expansion	\$3,848,010
Total	\$14,800,138



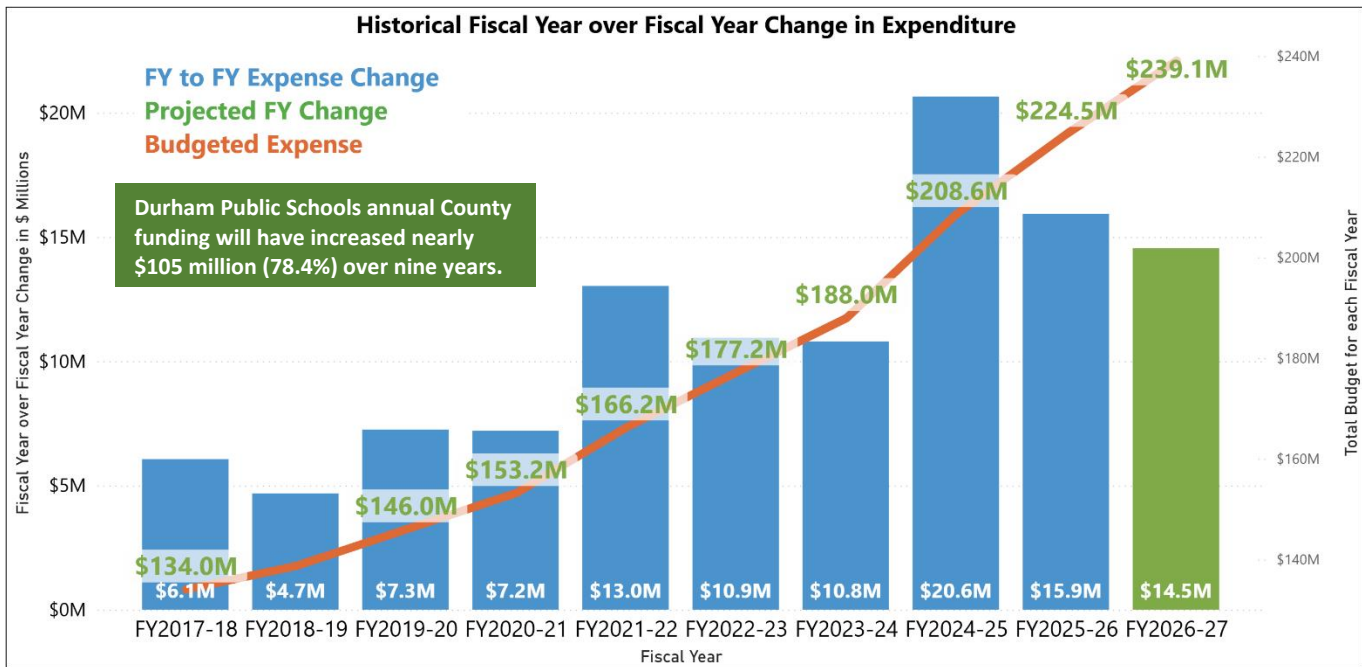
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- DPS and Durham County Charter School total student projection for FY 2026-27 is 38,776, a decrease of 608 students from the FY 2025-26 budgeted estimate of 39,384.
- Overall trending of DPS student attendance saw a significant reduction during the previous five years, two of which were COVID related, dropping by nearly 2,000 students in FY 2020-21 from FY 2019-20, and still down nearly 1,500 in FY 2024-25. Mid-year tracking of pupil numbers for FY 2025-26 indicates a significant decrease in DPS students. DPS officials believe this decrease is expected to continue in FY 2026-27.
- Annual estimated current expense per pupil funding for FY 2026-27 increases \$437 to \$5,998, or 7.9%.

Category	FY 2025-26	FY 2026-27	Difference
Current Expense Funding	\$219,528,912	\$233,078,901	\$13,549,989
Annual Pre-K support (Article 46 Sales Tax)	(\$508,140)	(\$508,140)	\$0
Net Current Expense funding	\$219,020,772	\$232,570,761	
DPS and Charter School pupil estimate	39,384	38,776	(608)
Local Per Pupil funding	\$5,561	\$5,998	\$437

- The graph below shows County annual funding for DPS. The orange line represents annual budgeted expenditures, and the blue bars (green bar for FY 2026-27) illustrate additional funding added in that fiscal year.



Durham Technical Community College

- Durham Technical Community College’s County funding increases \$378,644 or 3% from the FY 2025-26 Original Budget.

	FY 2024-25 Actual	FY 2025-26 Original	FY 2026-27 Requested	FY 2026-27 Approved
Current expense	\$11,872,083	\$12,058,661	\$13,033,551	\$12,467,305
Capital outlay	\$560,000	\$560,000	\$530,000	\$530,000
TOTAL	\$12,432,083	\$12,618,661	\$13,563,551	\$12,997,305
Debt service	\$4,309,998	\$10,493,086	\$13,396,163	\$13,396,163
TOTAL FUNDING	\$16,742,081	\$23,111,747	\$26,959,714	\$26,393,468

- As the County continues to collect revenue from the Article 46 quarter cent sales tax, by Board of County Commissioners’ resolution, Durham Technical Community College will receive a portion of this total, \$2,108,837 for student scholarship support and other educational opportunities.
- Annual operating expenses increase by \$408,644 to support targeted salary increases and rising utilities costs.



FY 2026-27 Budget Highlights – BOCC Approved



- Additional funding for a sixth year is available for the DTCC “Back to Work (BTW)” initiative and the “BULLS initiative and life sciences talent pipeline”.

EXPENSE	Funding	NOTES
BULLS stipend	\$250,000	25-50 students with \$5-10K stipend
BTW scholarships	\$250,000	20 classes with 25 students@\$500 per class (covers tuition and other needs)

Other Education

- County funding for Pre-K increases by \$1.27 million, \$770,000 to replace the one-time use of ARPA funds the previous year and \$500,000 of new additional funding. Total funding is \$10.16 million.
- Funding of \$500,000 has also been added for future youth-related mini-grants.

Culture & Recreation Highlights

NC Museum of Life and Science

- Overall County budget restraints limited the approved budget to a \$75,000 (3%) funding increase for the Museum. County support for major NCMLS capital infrastructure continues to be robust (see Capital Financing Plan Fund below).

Joint City-County Departments

Operations based in City; partial funding from Durham County. Full budget information can be found in the City of Durham budget document.

City-County Planning & Development

- Funding of \$60,750 is budgeted to support increases related to personnel costs

Geographic Information Systems

- Funding of \$62,465 is budgeted to support increases related to personnel costs

City-County Emergency Communications

- Funding of \$152,357 is provided to support ongoing increases in personnel costs

Other Department and Funds Highlights

Vehicles and Equipment: \$6.8 million

- This budget supports 51 General Fund funded vehicles and 4 Enterprise Fund funded vehicles. Fifty of the General Fund vehicles are replacements, and one is new. Three of the four Enterprise Fund vehicles are new.

Department	New / Replacement	Type	Quantity	Vehicle Total	Upfit Total	Total DCo Expense
SHERIFF	Replacement	Pickup with Utility Bed	1	\$62,000	\$0	\$62,000
		Motorcycle	1	\$24,000	\$15,000	\$39,000
		Four-Door Pickup 4x4	3	\$171,000	\$0	\$171,000
		Sedan	4	\$180,000	\$0	\$180,000
		SUV	30	\$1,560,000	\$0	\$1,560,000
		Taxes and Tags	0	\$0	\$80,502	\$80,502
		Vehicle Upfits	0	\$0	\$950,000	\$950,000
EMERGENCY SERVICES	Replacement	Ambulance	5	\$2,250,000	\$190,540	\$2,508,070
		Large SUV 4x4 (EMS)	1	\$66,000	\$23,000	\$90,986
	NEW	Ambulance (P2)	1	\$450,000	\$51,614	\$501,614
GENERAL SERVICES	Replacement	Truck 4x4 Extended Cab	2	\$106,000	\$36,000	\$145,192
		Tractor	1	\$65,000	\$0	\$66,956
		Dump Truck	1	\$100,000	\$25,000	\$128,006
SOCIAL SERVICES	Replacement	Toyota Rav4	1	\$64,000	\$856	\$66,782
Total			51	\$5,098,000	\$1,372,512	\$6,550,108



FY 2026-27 Budget Highlights – BOCC Approved



Department	New / Replacement	Type	Quantity	Vehicle Total	Upfit Total	Total DCo Expense
STORMWATER FUND	Replacement	Full-size pickup	1	\$57,000	\$4,000	\$61,000
ENTERPRISE FUND	New	Full-size pickup 4x4	2	\$114,000	\$13,432	\$127,432
	New	Utility Van	1	\$60,000	\$10,000	\$70,000
Total			4	\$231,000	\$27,432	\$258,432

*Social Services replacement vehicle is budgeted in the DSS Fund Center due to reimbursement requirements.

Risk Management Fund

- The budget supports funding of \$117,631 for a Risk Analyst position to facilitate ongoing operations, including risk assessments throughout the county and management of a complex insurance portfolio.

Benefits Plan Fund

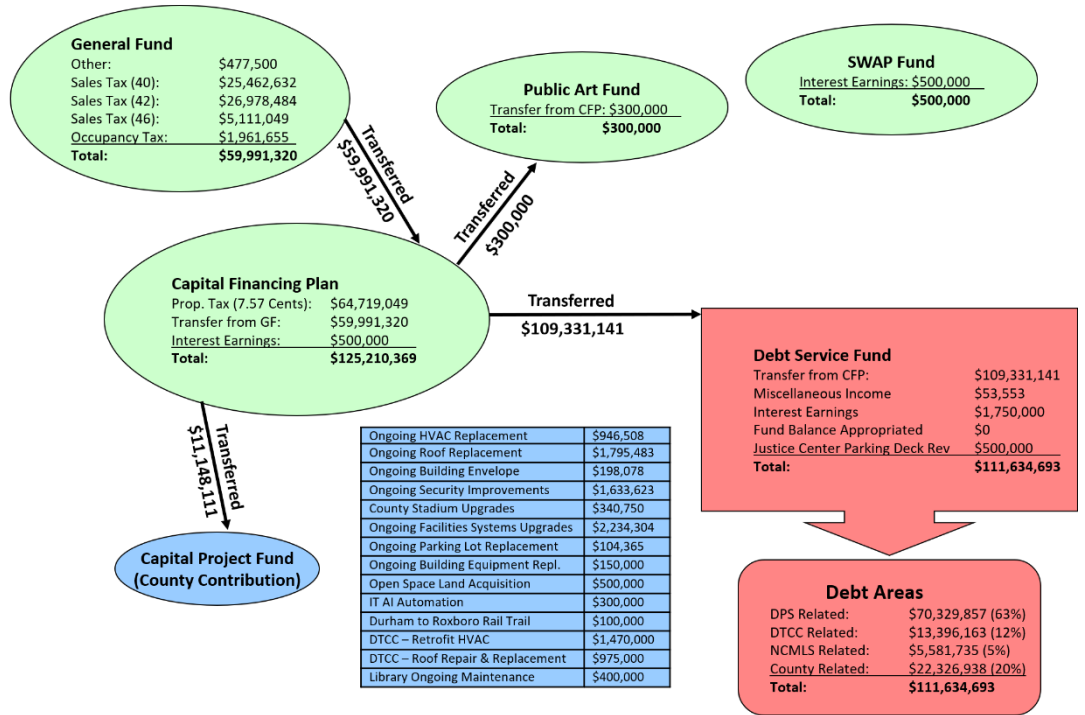
- The Benefits Plan Fund is budgeted to increase by \$1,546,309 to \$52,176,867 in FY 2026-27, an increase of 3.1%. This continues a trend of increases within the fund which can be attributed to several variables:
 - Rising healthcare costs continue to impact organizations and employees across the country. Factors such as increased cost for medical services, import tariffs on medical goods, and higher prescription drug prices, have all contributed to this upward trend. As a result, the overall cost of providing benefits has increased, which is reflected in the adjustments to the County’s benefits expenses. Durham County remains committed to offering competitive and valuable benefits while carefully managing these rising costs.
 - In response to rising healthcare costs, Durham County initiated a Request for Proposal (RFP) process to explore more competitive and comprehensive benefits options for our employees. This effort focused on identifying solutions that balance cost management with maintaining high-quality coverage. The goal of the RFP process is to secure the best possible options to support our employees’ health and well-being while addressing long-term cost sustainability.
 - Durham County is investing an additional \$250,000 to strengthen employee wellness initiatives aimed at improving both physical and mental well-being. This funding will support programs and resources that promote healthier lifestyles, enhance access to mental health support, and foster a more resilient workforce. By prioritizing employee wellness, the County seeks to not only improve quality of life for staff but also reduce long-term healthcare costs and improve overall organizational effectiveness.



Capital Finance Plan Fund

- The Capital Finance Plan Fund will decrease slightly by (\$850,000) to \$125,210,369 in FY 2026-27, or (0.71%) while the designated property tax rate supporting this fund stays flat at 7.57 cents.
- For the upcoming fiscal year Durham County has debt service cost of a little over \$111.6 million as well as \$11.1 million in direct support for a number of capital project needs. These costs are paid for with dedicated (by BOCC policy) sales tax, some occupancy tax, and mostly property tax paid out of the Capital Finance Plan Fund. Both the debt service cost and direct support amount decreased from the FY 2025-26 budget allowing the property tax needed for the Capital Finance Plan fund to stay the same.

Capital Improvement Plan Debt Funding FY 2026-27



Special Revenue Funds Highlights

- Redwood Fire Tax District is increasing the tax rate by 0.25 cent for operating costs to address staffing and competitive pay, an increase in professional fees, and equipment maintenance.
- New Hope Fire Tax District is increasing the tax rate by 1.5 cent increase to cover increases in personnel and associated operating costs (vehicle maintenance / repair, training). The tax rate increase is the second year of a plan to phase in a higher tax rate over multiple years to account for increased call volume for New Hope Fire Department in Durham County.
- Eno Fire Tax District is receiving a 2.0 cent tax rate increase. This increases supports continued rising costs for fuel, vehicle and equipment maintenance, personal protective equipment, and personnel.
- Mangum Fire Protection Service District was created by the Board of County Commissioners following a public hearing on March 9th, 2026. This budget sets the initial tax rate at 4.7 cents per \$100 of valuation to support operations of the Moriah Volunteer Fire Department in the district.

Tax Rate by District	FY 2025-26 Approved	FY 2026-27 Requested	FY 2026-27 Approved
Mangum	n/a	4.70	4.70
Eno	4.84	6.84	6.84 (+2.00)
New Hope	6.41	7.91	7.91 (+1.50)
Redwood	9.07	9.32	9.32 (+0.25)
Lebanon	9.19	9.19	9.19
Bahama	8.83	8.83	8.83
Durham County Fire & Rescue	8.29	8.29	8.29



Enterprise Funds Highlights

Sewer Utility Enterprise Fund

- Funding of \$127,432 for two full-sized 4x4 pickups for two new employees added mid-year to the Department's Project Management Team, which is responsible for GIS and construction inspections, as well as project meetings with contractors, engineers, and business owners. This team ensures that County utilities assets are built to approved standards and specs.
- Funding of \$70,000 will replace a small Ford Transit used by the Supervisory Control and Data Acquisition (SCADA) Instrumentation Technician. The current car is not equipped with enough shelving/storage and doesn't allow easy access to parts that must be available for troubleshooting and repairs. This vehicle will keep tools and materials organized, easy to find, and safely stored.
- Sewer Utility Fee Increase: The Sewer Utility monthly consumption rate will increase 10% - from \$8.05/hundred cubic feet to \$8.86/hundred cubic feet - which is projected to bring in revenue of more than \$21.29M. The funding will be used to support capital costs and annual capital debt.

Stormwater Enterprise Fund

- Funding of \$61,000 for one full-sized 4x4 pickup for the Stormwater and Erosion (S&E) Control Division. The S&E Division conducts regular inspections of construction sites for compliance with land disturbance permits, and these inspections often involve traversing active construction sites as large as 150 acres with varying topography and conditions. The S&E vehicles put in "tough" miles, so while mileage on them is low, they still require more regular replacement.
- For the first time in three years there is no Stormwater Utility fee increase; the approved fee is \$96 per Equivalent Residential Unit. Stormwater and Erosion Control began collecting a Stormwater Utility fee in FY 2020-21 to comply with the Falls Lake and Jordan Lake Rules, nutrient management strategies designed to restore water quality in the lakes by reducing the amount of pollution entering upstream. The fee was raised incrementally until FY 2025-26 and is being held at the current rate until the Falls and Jordan Lake Rules readoption processes are concluded and rates can be studied further.