



DALLAS COUNTY OFFICE OF BUDGET AND EVALUATION

August 29, 2025

TO: Commissioners Court

THROUGH: Dr. Ronica Watkins, Budget Officer *RW*

FROM: Bryant Jackson, Senior Budget and Policy Analyst

SUBJECT: FY2026 Proposed Budget for Reserves and Contingency (9940)

BACKGROUND

In the FY2026 proposed budget, the reserves and contingency account continues to function as a safeguard to address unforeseen and expected expenditures that may arise during the fiscal year. This account ensures that Dallas County can respond to unexpected needs without disrupting essential services or department operating budgets.

The proposed budget for FY2026 is \$30,292,952, a decrease compared to the FY2025 allocation of \$54,697,964. This reduction reflects the County's strategic decision to align reserves with anticipated needs while continuing to maintain fiscal discipline. Several large-scale items funded in FY2025, including ARPA-supported positions and professional service contracts, have either been incorporated into departmental budgets or concluded, reducing the reliance on reserves and contingency.

The reserves and contingency cost center remain dedicated solely to providing flexible funding capacity for approved initiatives or emergent countywide needs. As in prior years, no direct expenditure is charged to this account; rather, funds are transferred with Commissioners Court approval to the appropriate departmental budgets when necessary. This process ensures that all financial activity is transparent, properly allocated, and aligned with budget protocols.

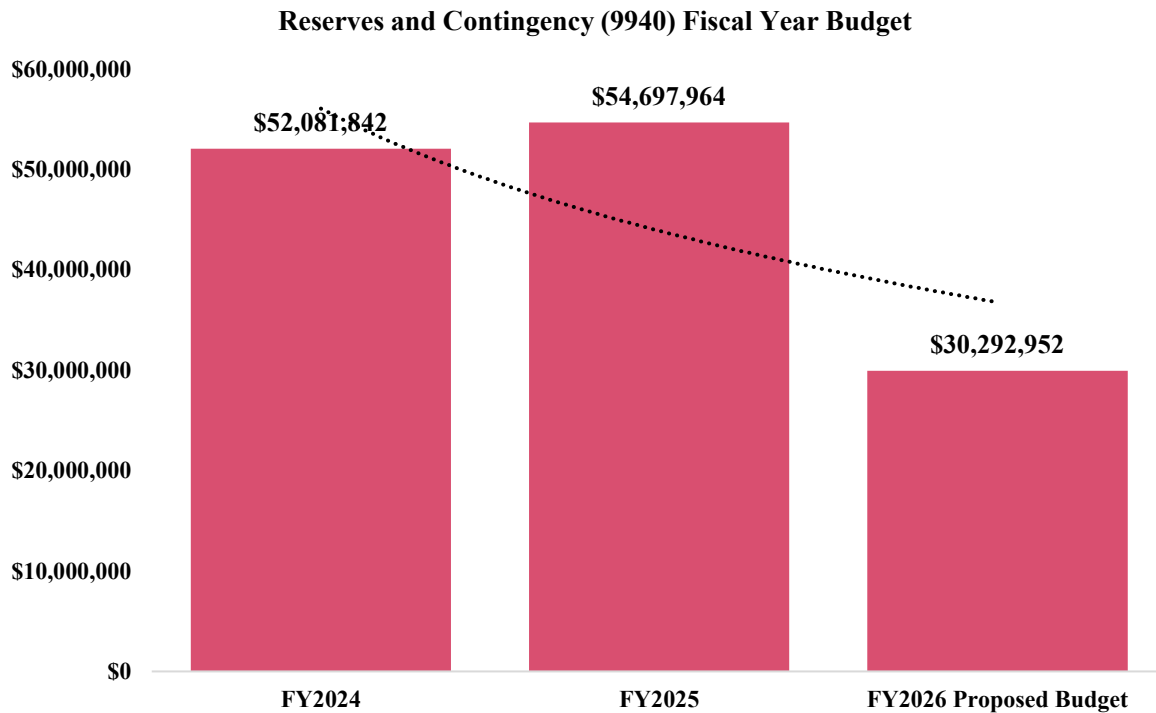
Account Description	FY2026 Proposed Budget	Budget Description (Based on the Current Tax Rate – 0.215501)
61020 - Salaries - Assistant	\$ 19,442,741	Judicial Salary Adjustment, Recommended Constable Positions, Workforce Compensation
61050 - Salaries - Overtime	\$ 2,656,887	Countywide Overtime Allocation

61065 - Compensatory Payouts	\$ 400,000	Countywide Compensatory Payout Allocation
61080 - Mileage Reimbursement	\$ 134,900	Countywide Mileage Allocation
61120 - Sick Leave Payoff	\$ 1,000,000	Sick Leave Payoff Allocation
62050 - Conference/Staff Development Expense	\$ 300,000	Countywide Travel & Staff Development
62225 - Other Professional Fees	\$ 1,350,000	Sheriff's Office Staffing Allocation; Justice of the Peace Staffing Study; HHS - Food Pantry Program
62237 - Commendation and Appreciation Program	\$ 1,200,000	Annual CAP Rollover for departments
68410 - Furniture & Equipment	\$ 1,000,000	Replacement Equipment/Furniture
68418 - General Equipment	\$ 208,424	Constable Ballistic Shields/ Constable Vehicles
68610 - Special Equipment Maintenance	\$ 2,600,000	Recommended Sheriff, SWIFS, and Constable Equipment
Total	\$ 30,292,952	

SPECIAL EQUIPMENT MAINTENANCE

1. **Sheriff's Office:** Funds designated for specialized equipment needed by the Sheriff's Department, such as rethermalizer units, cook chill pallet jacks, and jail tower pressure washers, ensuring that the Dallas County Sheriff's Office is properly equipped to maintain all operations at the jail.
2. **SWIFS (Southwestern Institute of Forensic Sciences):** Allocations for the maintenance and replacement of highly specialized forensic equipment, such as lab instruments, testing devices, and other critical tools necessary for processing evidence and conducting forensic investigations.
3. **Constable Precinct Vehicles (UTA Staffing Study):**
Funds allocated for the purchase of new vehicles to support additional constable positions recommended in the University of Texas at Arlington (UTA) Constable Staffing Study. These vehicles will provide the necessary resources for precincts to effectively carry out responsibilities and meet the staffing levels identified in

the study.



UNDERSTANDING THE UTILIZATION OF RESERVES AND CONTINGENCY

The reserves and contingency cost center are designed solely for holding funds allocated for unforeseen expenses and approved budget expenses. It is important to note that no direct charges or expenditures are ever applied to this cost center. Instead, it serves as a reserve, ensuring that funds are available for needs across various departments.

When an unforeseen expense arises or additional funding is required, the budget department will seek formal approval to transfer the necessary funds from the reserves and contingency cost center to the appropriate departmental budget. This process ensures that expenditures are properly allocated and accounted for within the correct cost centers, maintaining transparency and adherence to budgeting protocols.

In essence, the reserves and contingency cost center functions as a budget placeholder, with all funds held in reserves and contingency until they are specifically allocated to meet actual needs, ensuring that it remains a placeholder rather than a site for direct charges or expenses.

RECOMMENDATION

The proposed FY2026 reserves and contingency budget of \$30,292,952 represents a reduction of \$24,405,012 from the FY2025 allocation. This lower funding level is consistent with the winding down of one-time obligations and the incorporation of recurring costs into departmental operating budgets.

The Office of Budget and Evaluation recommends approval of the proposed FY2026 budget for reserves and contingency. This funding level maintains the County's ability to address unforeseen needs while reflecting prudent fiscal management and a more streamlined use of contingency funds.