DALLAS COUNTY
OFFICE OF BUDGET AND EVALUATION

August 10, 2026

TO: Commissioners Court

THROUGH: Dr. Ronica Watkins, Budget Officer

FROM: Erica Terrazas, Assistant Budget Officer

SUBJECT: FY2027 Proposed Budget for Reserves and Contingency (9940)

BACKGROUND

In the FY2027 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 FY2027 is $55,903,536 an increase compared to the FY2026 allocation of $30,292,952. This increase is to ensure that the County is prepared with the necessary reserves and contingencies that align with the County's fiscal strategies as it is faced with inflation and increased costs.

The reserves and contingency cost center remains 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.

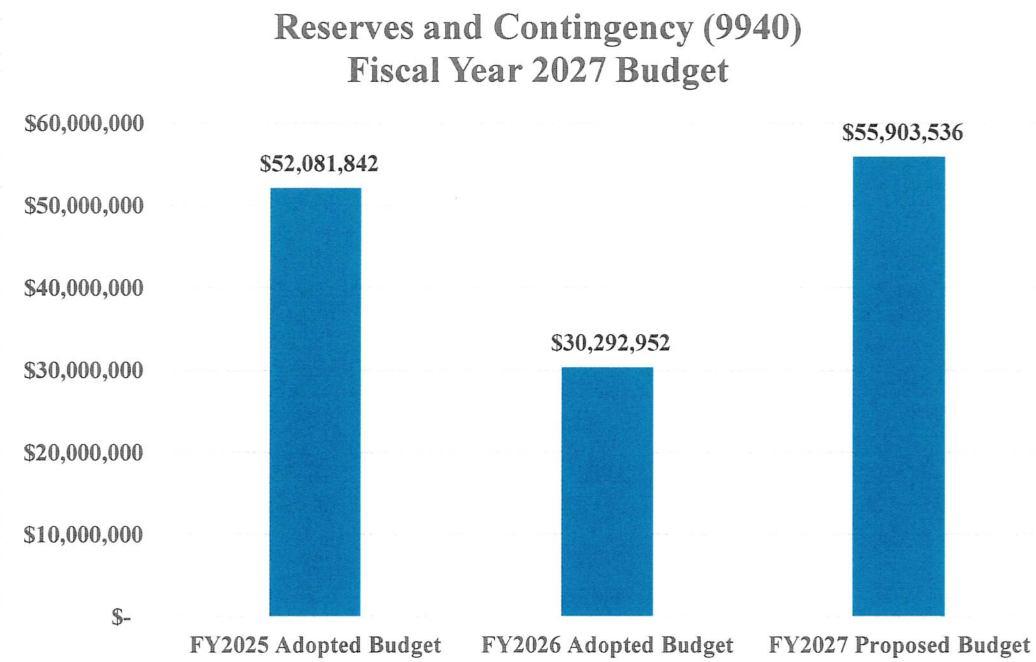
Account Description	FY2027 Proposed Budget	Budget Description
61020 - Salaries - Assistant	$23,859,544	Workforce compensation and critical additional positions
61050 - Salaries - Overtime	$11,666,887	Countywide Overtime Allocation
61065 - Compensatory Payouts	$400,000	Countywide Compensatory Payout Allocation
61120 - Sick Leave Payoff	$1,000,000	Sick Leave Payoff Allocation
61140 - Insurance - Employer	$4,000,000	Health Insurance Allocation

61190 – Workers Compensation	$1,267,090	Countywide Workers Compensation Expenses
62026 - Conference/Staff Development Expense	$300,000	Countywide Travel & Staff Development
62225 - Other Professional Fees	$2,785,000	Sheriff Projects, Countywide special projects
62237 - Commendation and Appreciation Program	$1,200,000	Annual CAP Rollover for departments
68410 - Furniture & Equipment	$1,168,000	Replacement Equipment/Furniture
68418 - General Equipment	$1,337,000	Vehicles and other capital equipment
68610 - Special Equipment Maintenance	$3,000,000	Recommended Sheriff, SWIFS, and Constable Equipment
Other Appropriations	$4,320,015	Supplemental pay, childcare allowance, postage, auto maintenance and expenses, computer hardware and software, property less than $5,000, bulletproof vests
Total	**$55,903,536**	

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.



UNDERSTANDING THE UTILIZATION OF RESERVES AND CONTINGENCY

The reserves and contingency cost center is 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 FY2027 reserves and contingency budget of $55,903,536 represents an increase of $25,610,584 from the FY2026 allocation. This increased funding level is consistent with increased costs and inflation.

The Office of Budget and Evaluation recommends approval of the proposed FY2027 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.