Fiscal Update 2025-2026

Can Not Compare Actual Results to Budget

Non-operating entries

- Capital Outlays
- Balance Sheet Adjustments
- Depreciation
- Other accounting adjustments

Encumbrances

Pre-paid expenses

2025 Overall Operating Budget Depended on Fund Balance

All Funds ($9M)

REV- $641M

EXP- $650M

($9M)

EXPENSE

General Fund Expense $602 million- Increase of $34 million

- $9 million- increase in personnel costs including benefits
- $9 million- Increase in Mandates
  - Day Care- $3 million (100% reimbursed)
  - Foster Care & Institutions- $3 million (60% reimbursed)
  - Safety Net- $3 million (29% reimbursed)
  - Assigned Counsel- $1 million (50% on Increase reimbursed)
- $2 million- Increase in Housing Trust Fund
- $4 million- Debt Service
- $4 million- GASB 87 and 96 reporting (fully offset by revenue)

2025 Overall Operating Budget Depended on Fund Balance

All Funds ($9M)

REV- $641M

EXP- $650M

($9M)

REVENUE

General Fund Revenue $589 million- Decrease of $11 million

- Federal Revenue down $24 million
  - Realization of American Rescue Plan (ARP) Funds in 2024 non-recurring
- Interest earnings decreased $2 million

Partially offsetting:

- State Revenue up $5 million
  - Higher mandated costs
- Sales Tax up $2 million over 2024
- GASB 87 & 96 reporting impact up $4 million (offset)
- Property tax increase $5 million

2025 Fund Balance

From $104 million in 2024 to $82 million in 2025

Policy

- 1-2 Months of Operating $50-100 million
- Use unassigned fund balance to pay down debt, avoid debt and provide tax relief

Fund Balance- Effectively- $73 million

- $2.8 million in unrestricted Opioid funds
- $6.1 million in Community Benefit fund, bringing fund balance to $73 million

Fund Balance

Increased Use of General Fund Balance over the past few years to cover operating is concerning:

Year	Used to Balance Budget	End of Year Result	General Fund Balance
2024	$15.2M	+$38.6M	$104M
2025	$23.4M	($12.9M)	$82M
2026	$33.9M		

2026

2026-2027 State Budget Impact
Neutral County Impact

Continued Funding

- Medicaid Cap stays in place
- Assigned Counsel 50% rate offset
- BOE- Pre-paid postage
- Competitive Opportunities:
  - County Infrastructure Grant Program- $1.5M awards
  - County $150 million core Regional Economic Development Councils
  - $75 million 2nd round of BRICKS Recreational Infrastructure
  - Public Safety Communications funding

Additional Funding

- OFA- Increase in Unmet Needs
- New Homeland Security funding $50M
- Health & Mental Health formula funding ($1M statewide)
- $22 Million 0-3 Childcare for pilot program $2 million County match, planned partners
- Increase in Highway Road funding $50 million

Pension Changes Tier 5 & 6-

- Modifies retirement contribution for Tier 6 effective October 1, 2026.
- Pensionable OT increasing to $30K cap + 3% per year

DCC

- Maintains minimum amount of State Aid no lower than last year regardless of enrollment
- Expansion of SUNY Reconnect- free tuition ages 25-55 for high demand fields at SUNY that offer associate degrees- added nursing as a 2nd career

Non-County Other

- Eliminates State income tax on tipped wages
- Increased tax on nicotine products

2026-2027 State Budget Impacts

FEDERAL OBBBA BILL

SNAP- Supplemental Nutrition Assistance Program

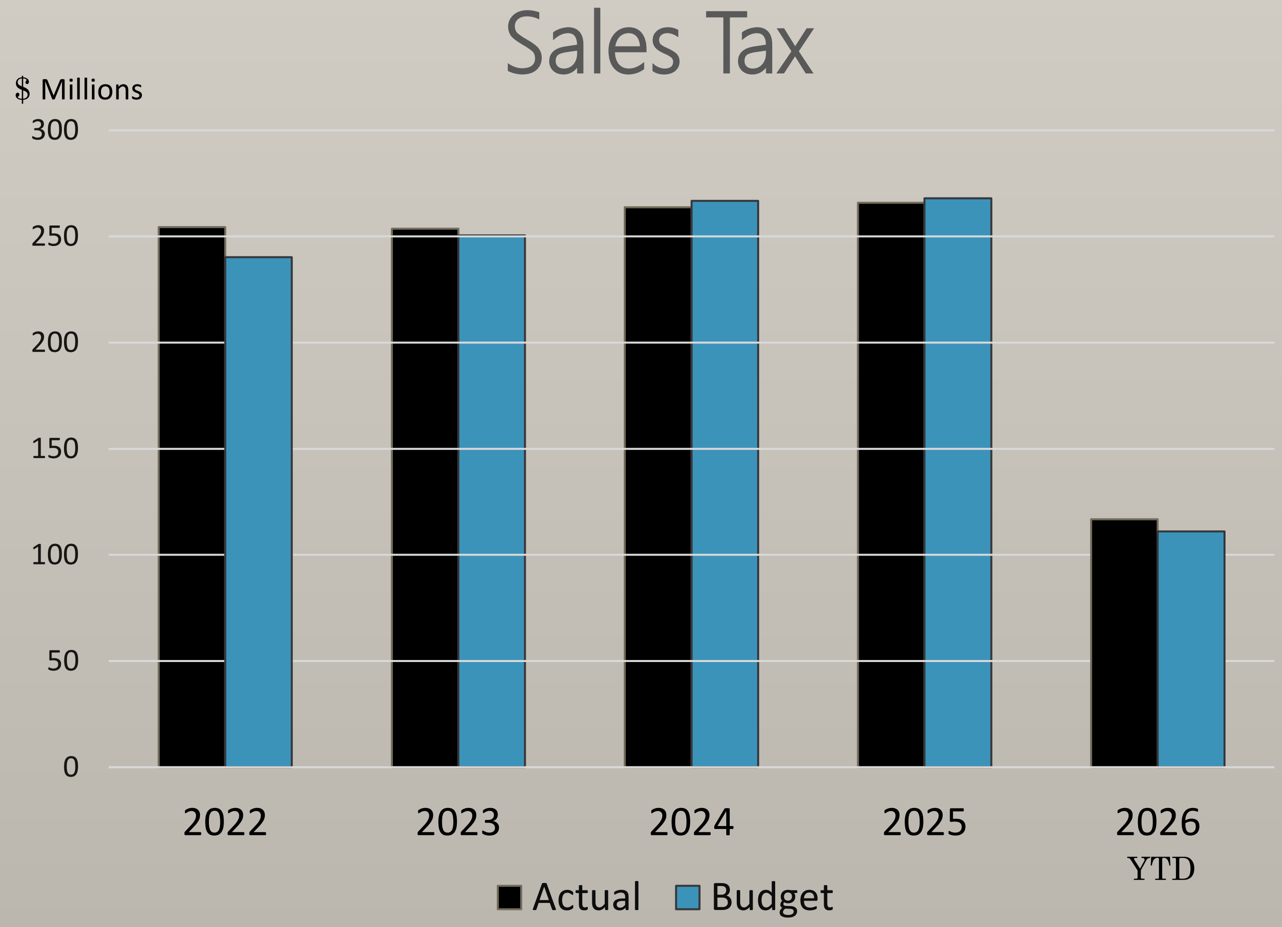
- SNAP Admin costs increase 50% to 75%- Beginning October 2026- Annual Cost $1.65 million.
- Benefits- States Cover a % of Benefits based on error rate (previously 0%) 6-8%- contribute 15%, 8-10% contribute 20%, 10% and up- 25%
  Not yet determined if State will pass this down to counties.

NYSAC Estimated Cost for Dutchess for benefit provision- $5 Million

Medicaid

- July 1, Federal roll back of Essential Plan impacting 450,000 New Yorkers earning 200-250% of the Federal Poverty Level.
- This will impact 18,872 individuals in Dutchess
- Anticipate Additional Administrative Burden
- Restructure of payments to 52 will cost additional $619K this year- timing. Will try to cover within budget.
- Work Requirements ages 18-65 begin January
- Increase red tape by decoupling Temporary Assistance Application from Medicaid Application- also from 90-day retro to 30 will create issues for nursing homes

2026



- Budget included growth of 1% for 4th Qtr and 1.5% for 2026. 2025 came in slightly higher than projected. Only need to achieve growth of 1% in 2026 to achieve budget.
- Sales tax supports 41% of Budget
- Sales tax YTD $116.8 or 7% higher than last year.
- 2nd Quarter is estimated payments. 2nd Qtr will be reconciled next week

Stable

Affordability Issues

ECONOMIC CONDITION

- Unemployment 3.3% vs. 2.8% April 2025
- Inflation increased- 4.2% in May of 2026 vs. 2.4% in 2025
- Home sales increase of 15% over last year Median Sales Price
- Decrease of 6% vs. last year in number of homes sold
- Although employment is solid, families, governments, businesses face affordability issues as higher housing costs, taxes, utilities and everyday expenses persist.

2026-2027 Challenges

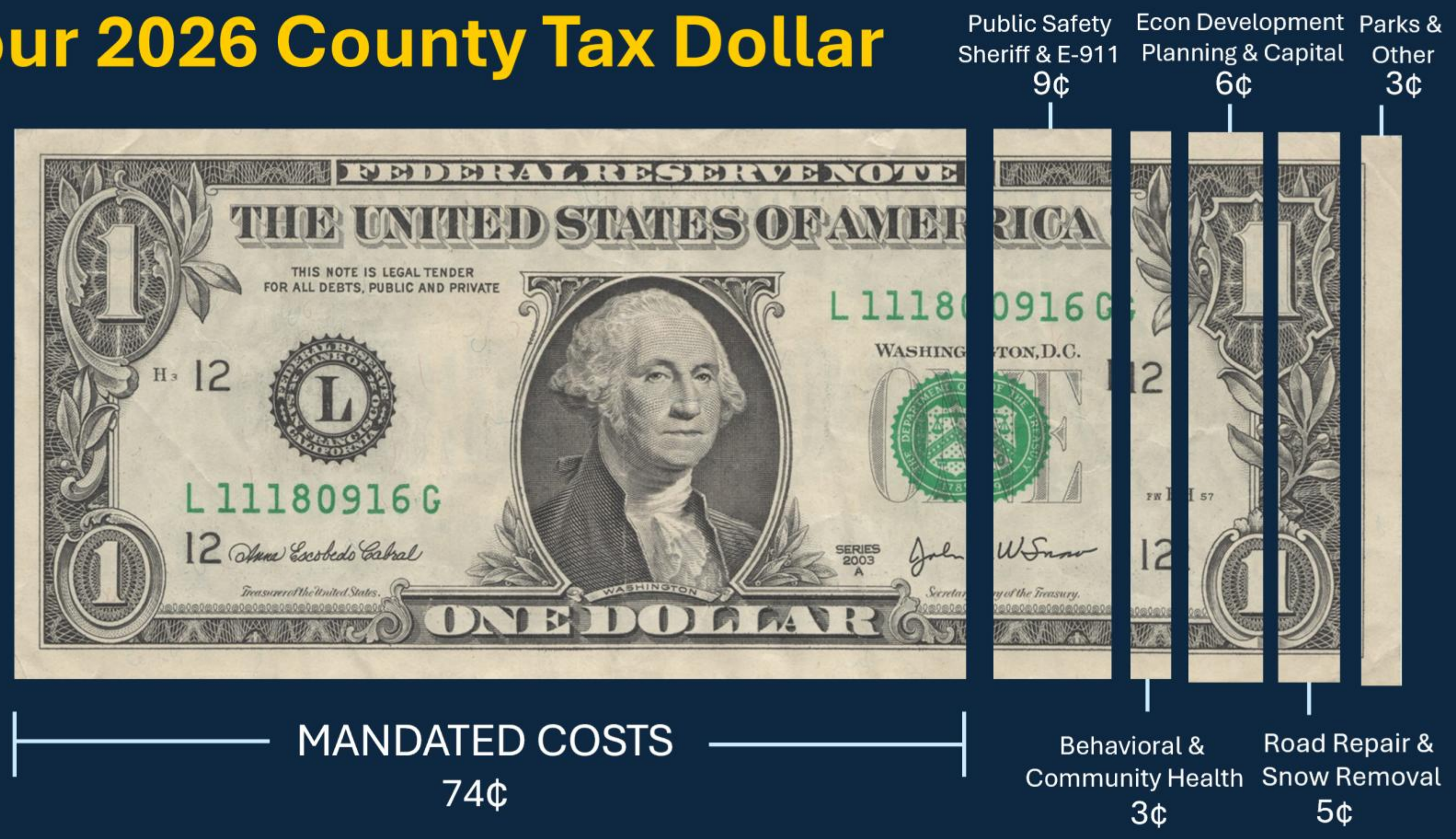
- BIGGEST ISSUE- Balancing Requests with revenue-
  $91 million
- How State will handle OBBBA SNAP error rate cost shift.
- DCSEA expired contract end of 2025
- Health Insurance continues to increase
- State Pension increase $50 million for Counties- Sept
- Uncertainty of sales tax- Funds 41% of our Budget
- Bid prices for 26 Oakley expire July 25th

We will be working with Departments throughout the Budget Process to consider all options

2027 BUDGET

- Beginning GAP is $91 million
- Major Revenue right now is in at Flat:
  - Sales Tax
  - Property Tax
- Fund balance has not yet been included
- 42% of Budget is Personnel costs

Your 2026 County Tax Dollar



QUESTIONS?