



# HAYS COUNTY BUDGET OFFICE

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VICKIE G. DORSETT, BUDGET OFFICER

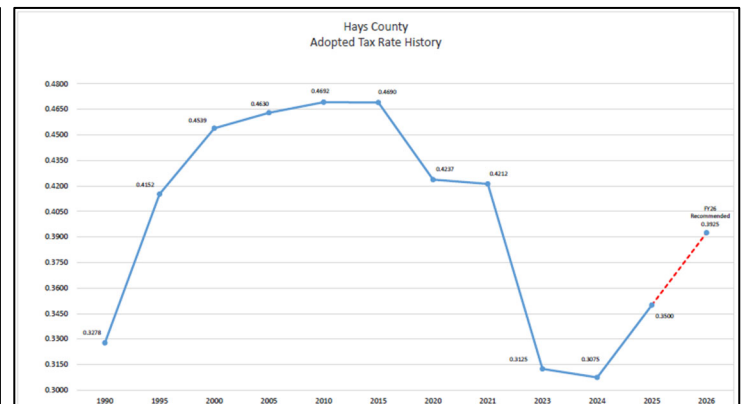
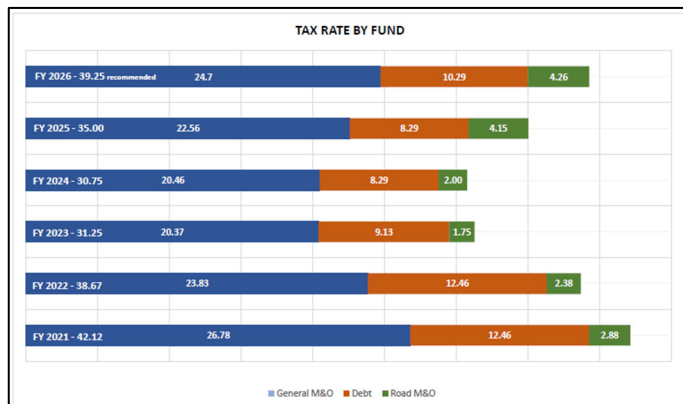
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Honorable County Judge & Commissioners:

The FY 2026 Recommended Budget is balanced utilizing a total tax rate of .3925 cents, a .0425 cent increase from the current tax rate of .3500 cents. The total taxable value increased 1.36%, however, new improvements decreased 20.87% over previous year improvements. Additionally, property tax protests increased from \$500M in 2024 tax year to over \$1.6B in 2025. With the current average home values slightly decreasing over last year, this tax rate increase results in approximately a \$194.00 per year increase for the average homeowner. The breakdown of the recommended tax rate consists of a .0214 cent increase in the General M&O rate to address the growing needs of the county; including a half cent for vertical infrastructure needs and to move the majority of contract services costs related to the Public Defender's Office previously funded under the ARPA Program. The Road & Bridge rate is up .0110 cents to address maintenance of county roads and the need for replacement of heavy equipment. Lastly, the debt rate is up .0200 cents to include debt capacity to issue road bonds or certificates of obligations for road improvements related to the 2024 voter approved road bond. If the court determines not to issue any portion of this debt, budgeted funds may be used for defeasance.

FY 2026 RECOMMENDED TAX RATE			
	FY 2026 Recommended	FY 2025 Adopted	DELTA
• General M & O	\$ 0.2470	\$ 0.2256	\$ 0.0214
• General Debt	\$ 0.1029	\$ 0.0829	\$ 0.0200
• Road & Bridge M & O	\$ 0.0426	\$ 0.0415	\$ 0.0011
Total Rate	\$ 0.3925	\$ 0.3500	\$ 0.0425
• No New Revenue Rate (NNR)	\$ 0.3279	\$ 0.2788	\$ 0.0491
• <b>FY26 Recommended Tax Rate</b>	<b>\$ 0.3925</b>	<b>\$ 0.3500</b>	<b>\$ 0.0425</b>
• Voter Approval Rate (VAR)	\$ 0.4441	\$ 0.3916	\$ 0.0525
• Average Home Value	\$ 465,169	\$ 466,243	\$ (1,074)
• County Tax on Average Home Value	\$ 1,826	\$ 1,632	\$ 194
• Total Taxable Value	\$ 41,711,829,779	\$ 41,150,941,550	\$ 560,888,229
• New Improvements	\$ 1,817,587,878	\$ 2,296,991,996	\$ (479,404,118)
• Property Tax Protests	\$ 1,657,391,990	\$ 501,860,609	\$ 1,155,531,381



If adopted, this tax rate will generate revenue estimates of approximately \$113.2M in the General Fund, \$19.7M in the Road & Bridge Fund, and \$47.1M in the Debt Service Fund for principal and interest payments which includes voter approved park and road bond projects. The tax revenue, as well as all other estimated revenue has been certified by the County Auditor.

FISCAL YEAR 2026 REVENUE ESTIMATES		
FUND		Revenue Tax Rate (.2470/\$100)
GENERAL FUND	Estimated Tax Collections at 98.5%	\$ 113,230,967
	Sales and Use Tax	\$ 32,400,000
	Other Revenue	\$ 26,943,259
		\$ 172,574,226
ROAD & BRIDGE		(.0426/\$100)
	Estimated Tax Collections at 98.5%	\$ 19,657,847
	Other Revenue	\$ 8,092,275
		\$ 27,750,122
DEBT SERVICE		(.1029/\$100)
	Estimated Tax Collections at 98.5%	\$ 47,141,843
	Pass Through Road Revenue	\$ 6,658,500
	Other Revenue	\$ 1,520,000
		\$ 55,320,343
CONSTRUCTION FUNDS	Capital Projects	\$ 9,673,400
SPECIAL REVENUE FUNDS	All Other Revenue	\$ 27,581,969
<b>TOTAL REVENUE</b>		<b>\$ 292,900,060</b>
<i>Certified by the Hays County Auditor</i>		

The total requested budgets were over \$403M with a recommended budget of \$368.7M for FY26. This total is down approximately 2.6% from the current adopted FY25 budget. However, the General Fund budget has increased by approximately 5.9%. The increase in General Fund is attributed to the transfer of \$1.8M for the Public Defender's Office previously ARPA funded, \$2M for vertical infrastructure, \$1M in technology upgrades, \$2.9M for Collective Bargaining market increases, an average 6% increase for the civilian step plan with market adjustments, and a 3% COLA for Elected Officials. There were 115 new positions requested in the budget with 33 new positions added. The HR Director will present options for market adjustments to our current civilian step plan during a budget workshop. If you maintain the use of reserves as recommended, the estimated ending fund balance will be approximately \$57.5M which is approximately 4 months of reserves.

FY 2026 EXPENDITURES	
<b>REQUESTED:</b>	
• General Fund	\$ 182,429,680
• Road & Bridge General Fund	\$ 63,373,564
• Interest & Sinking Fund	\$ 53,304,817
• Special Revenue & Construction Funds	\$ 104,672,793
	\$ 403,780,854
<b>TOTAL REQUESTED (excludes Medical Fund)</b>	<b>\$ 403,780,854</b>
<b>RECOMMENDED:</b>	
• General Fund	\$ 166,925,017
• General Fund - Use of Reserves	\$ 6,747,025
• Road & Bridge General Fund	\$ 27,750,122
• Road & Bridge - Use of Reserves	\$ 3,545,006
• Interest & Sinking Fund	\$ 55,300,195
• Special Revenue & Construction Funds	\$ 108,469,591
	\$ 368,736,956
<b>TOTAL RECOMMENDED (excludes Medical Fund)</b>	<b>\$ 368,736,956</b>
YEAR OVER YEAR COMPARISON	
• FY 2025 Adopted Budget	\$ 378,698,697
• FY 2026 Recommended Budget	\$ 368,736,956
\$ Decrease	\$ (9,961,741)
% Decrease	-2.63%

FY 2026 PERSONNEL REQUESTS	
<b>REQUESTED:</b>	
• 115 New Positions Requested	\$ 9,122,550
• Funding for Re-grades/Increases	\$ 731,091
• Funding for CBA Market Increases	\$ 2,951,574
• Elected Official Salary Increases	\$ 402,327
• Funding for Step/Market Increases	\$ 4,745,421
	\$ 17,952,963
<b>TOTAL REQUESTED</b>	<b>\$ 17,952,963</b>
<b>RECOMMENDED:</b>	
• 33 New Positions Recommended	\$ 2,816,325
• Funding for Re-grades/Increases	\$ 263,180
• Funding for Addtl Positions	\$ 200,000
• Funding for CBA Market Increases	\$ 2,951,574
• Funding for Step/Market Increases	\$ 2,289,129
	\$ 8,520,208
<b>TOTAL RECOMMENDED</b>	<b>\$ 8,520,208</b>

Hays County currently assists 31 Social Service Agencies with annual budget allocations. The requested funding for these agencies was over \$1.7M with a recommendation to remain flat with the exception of \$50k in discretionary funding for your consideration in distributing. Additionally, there were two new requests; the Riparius Foundation requested \$160k for small business resilience and economic stability; and Hill Country Cottages requested \$4k for operational costs for low-income seniors and disabled residents.

Budget workshops will be held on August 5<sup>th</sup>, 12<sup>th</sup> and 19<sup>th</sup> at 11:00 a.m. with the public hearing to vote on a proposed budget and tax rate to be held on August 19<sup>th</sup> at 1:00 p.m. All budget documents will be posted on the county website under the Budget Office operating budget section, <https://www.hayscountytexas.gov/operating-budget>.

As always, I am available to answer questions or provide additional information as needed.

*Vickie G. Dorsett*  
*Hays County Budget Officer*