

County Administrator's Recommended Budget

FY 26

July 16, 2025



Hillsborough
County Florida

**GFOA
Award,
Received
Since 1986**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Hillsborough County
Florida**

For the Biennium Beginning

October 01, 2023

Christopher P. Morill

Executive Director

AAA Credit Rating from the Three Leading Agencies



Moody's

"The County's financial position is very strong driven by sophisticated management and conservative budgeting practices which have led to nine consecutive general fund surpluses." May 20, 2024

S&P Global

"The 'AAA' rating reflects our opinion of the County's:

- Strong financial operations, consisting of a long track record of surplus operations and the maintenance of very strong reserves.*
- Very strong management conditions and a strong institutional framework score, which support financial operations." May 22, 2024*

"Hillsborough County's GO bonds are eligible to be rated above the sovereign because we believe the county can maintain better credit characteristics than the U.S. in a stress scenario." May 22, 2024

Fitch Ratings

"Hillsborough's 'AAA' IDR and GO bond ratings reflect 'strong' financial resilience evidenced by a history of reserves maintained notably above 10% of spending and high expense and revenue raising controls." May 20, 2024

Transparency and Oversight



Citizen review and comment on all Board agenda items	Federal granting agencies	State granting agencies	Clerk of the Circuit Court audit department	Clerk of the Circuit Court preaudit of all County payments
Clerk of the Circuit Court audit of Recommended Budget	County Internal Auditor audits	County Attorney's Office	External financial statement audit including a Single Audit	Government Finance Officers Association of the United States and Canada review of budget document
Three Rating Agency surveillances and reviews of bond issuances	Regulatory audits/reviews of County departments	Planning Commission review of annual capital budget plan	State of Florida Truth In Millage (TRIM) process review	Board appointed advisory committees
Office of Program Policy Analysis and Government Accountability (OPPAGA) audits associated with proposed ballot referendums	Hearing Master reviews of County activities	Annual County survey	Media coverage	County lenders
	Three Budget Public Hearings	Commissioner Town Hall Meetings	Florida EOG DOGE	

Budget Guiding Principals



- **Adopt a structurally balanced budget – recurring revenues match recurring expenditures**
- **Use restricted funds first**
- **Maintain general fund reserves between 20% - 25%**
- **Prioritize Public Safety**
- **Maintain County infrastructure/equipment**
- **Maintain current service levels**
- **Identify budget savings**
- **Invest in County employees**

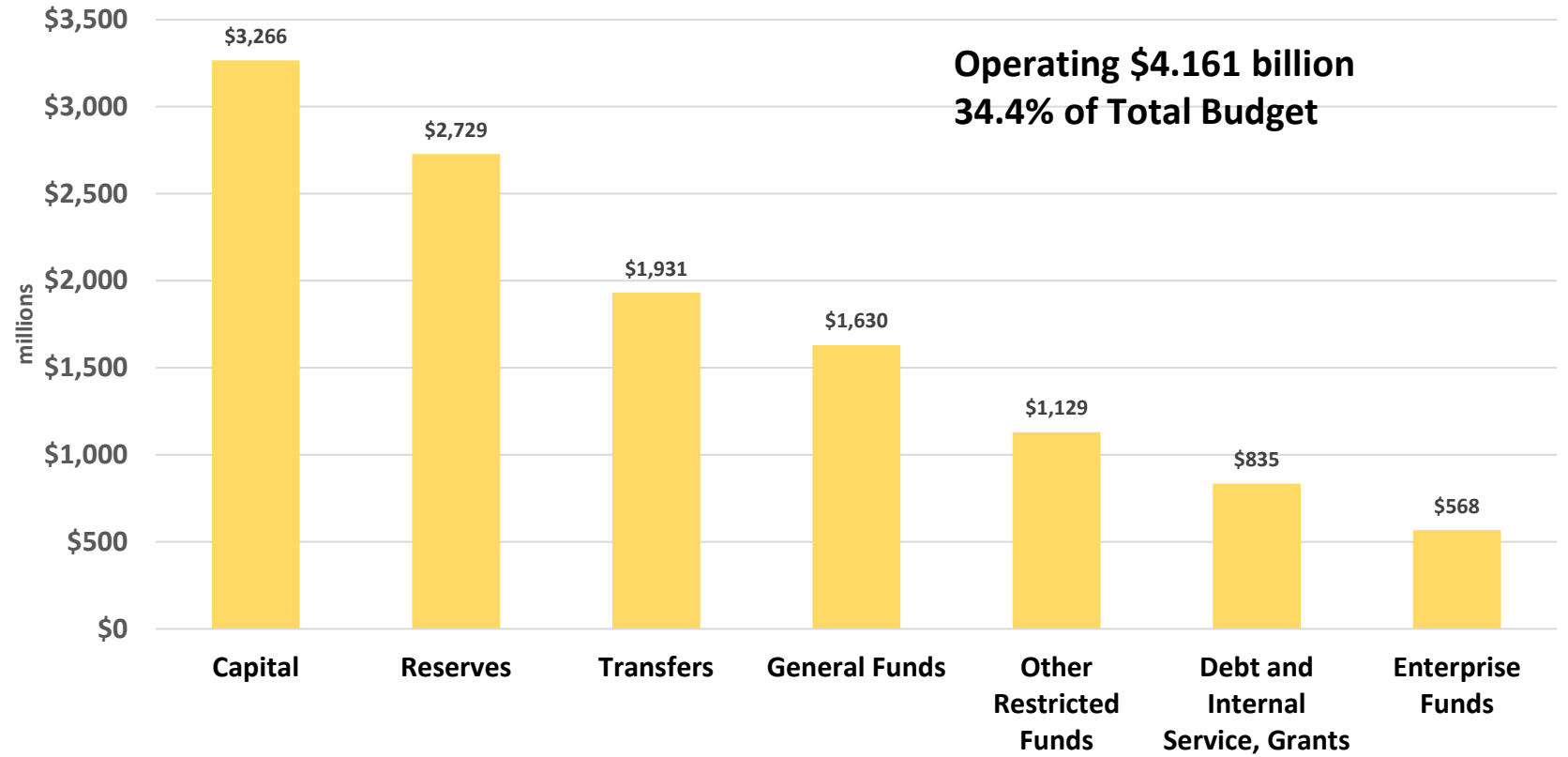
FY 26

Budget Savings



Item	(millions)
Nondepartmental Allotments	\$17.7
Lower Reserve Ratio	\$15.3
Millage Swap (0.100 mils)	\$ 7.3
Nonprofits	\$ 3.7
Capital Improvement Program – old projects, value engineering, project scopes	\$ 3.0
Parks Debt Millage elimination (0.0259 mils)	\$ 2.6
Department Budgets	\$ 2.5
Vacant Positions	<u>\$ 1.3</u>
	<u>\$53.4</u>

FY 26 Total Recommended Budget, \$12.088 Billion



Operating budget includes General Funds, Other Restricted Funds, Debt and Internal Service Funds, Grants, and Enterprise Funds

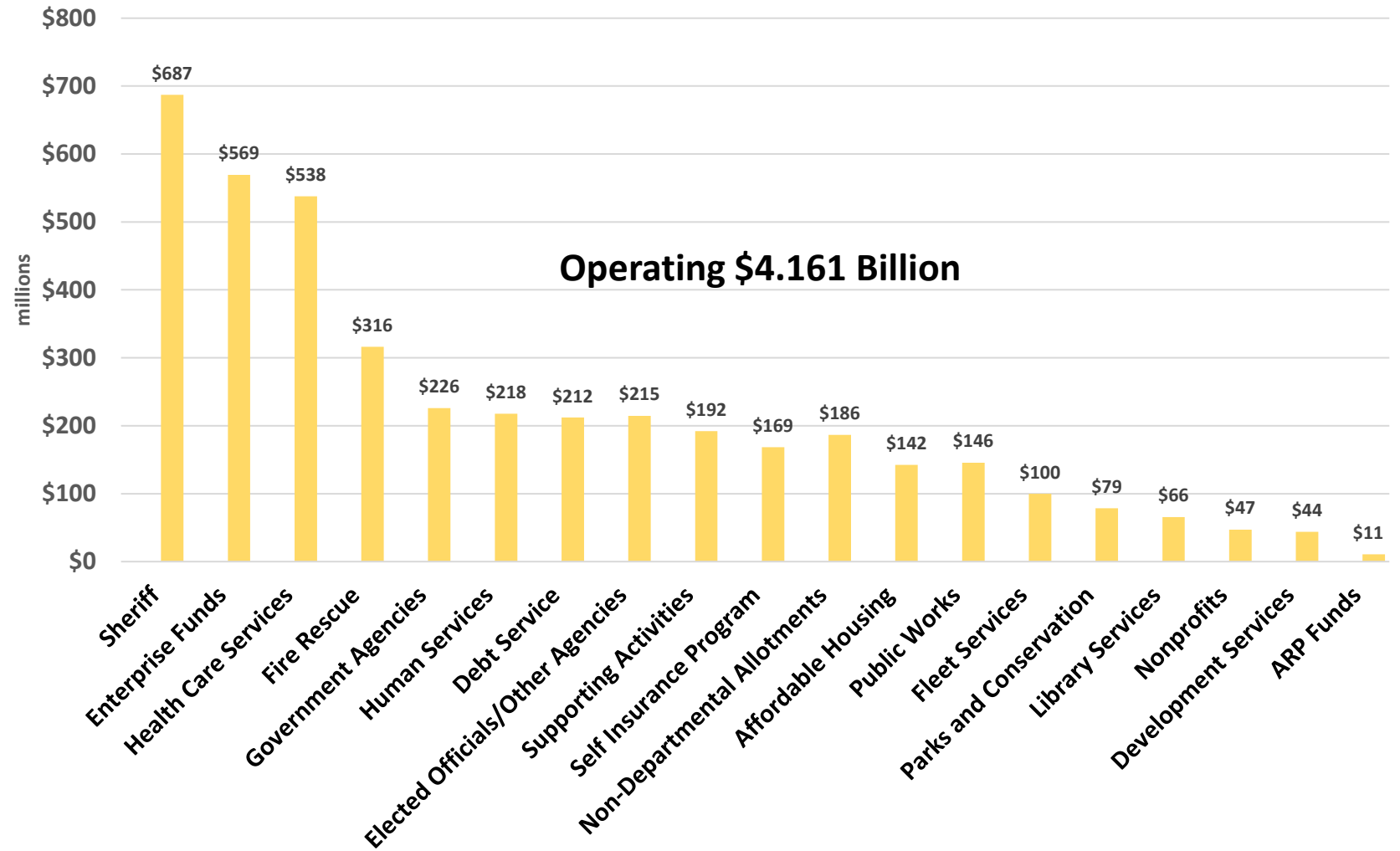
Internal Service – Fleet and Insurance

Other Restricted Funds – Indigent Health Care, Constitutional Officers, Transportation Trust, Sales Tax, Library, Development Services, Affordable Housing, etc.

FY 26 Total Recommended Budget, \$12.088 Billion



Reserves = \$2.729 Billion
Transfers = \$1.931 Billion
Capital Projects = \$3.266 Billion



Government Agencies = Community Redevelopment Areas, Tampa Sports Authority, Community Investment Tax to Cities
Elected Officials/OA = Property Appraiser, Tax Collector, Supervisor of Elections, Clerk of the Circuit Court, Courts, Environmental Protection Agency, Planning Commission

Human Services = Aging Services, Children's Services, Social Services, Medical Examiner, Homeless Services, Sunshine Line

Supporting Activities = Budget, Procurement, Human Resources, Facilities, Risk Management, Technology Services, Financial Services, County Attorney, Internal Auditor, Communications, Customer Service, County Administration

Change in
Total County
Budget,
FY 25 to
FY 26



(In Billions)	
FY 26 Recommended Budget	\$12.088
FY 25 Adopted Budget	<u>\$10.331</u>
FY 26 Budget Increase	<u>\$ 1.757</u>

Change in County Operating Budget, FY 25 to FY 26



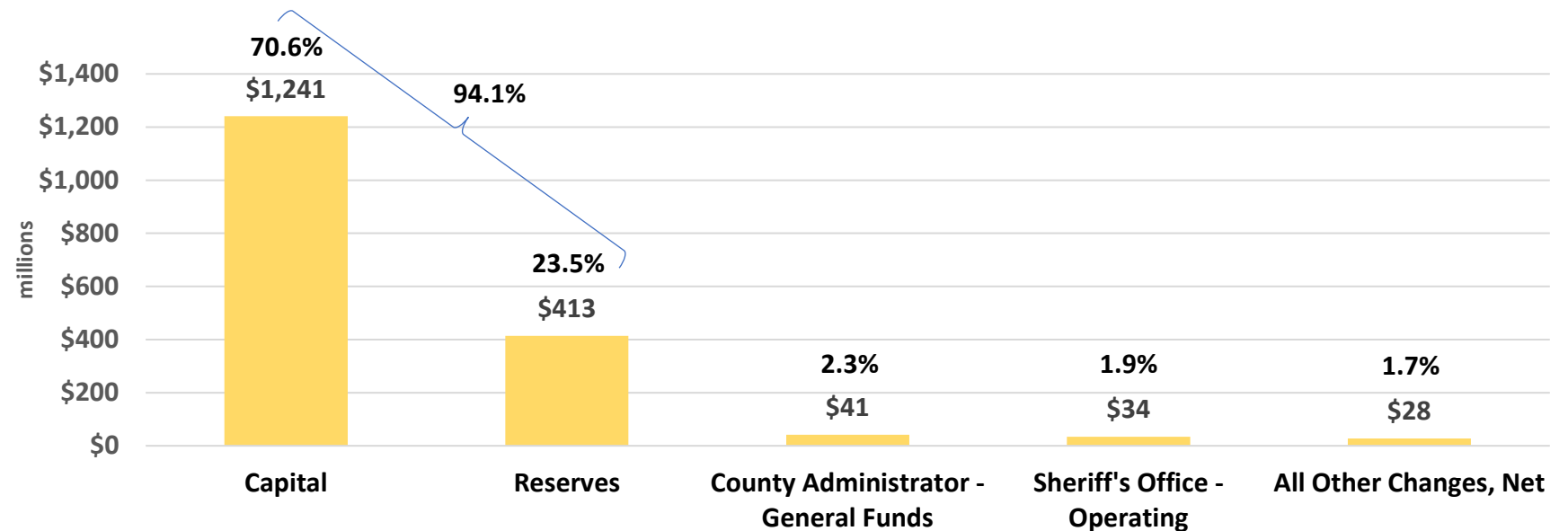
(In Billions)	
FY 26 Recommended Operating Budget	\$4.161
FY 25 Adopted Operating Budget	<u>\$3.969</u>
FY 26 Budget Increase	<u>\$0.191</u>

The County’s operating budget increased 4.8% from FY 25 to FY 26.

The operating budget excludes reserves, transfers, and the capital budget. It represents the County’s spending plan for recurring services each year.

Budget Changes – FY 25 to FY 26

\$1.757 Billion



Capital

One Water - \$883

Transportation Sales Surtax - \$209

Other Transportation - \$90

All Other Changes, Net - \$60

Reserves

Water - \$131

Hospital Directed Care - \$40

Self Insurance - \$36

Transportation - \$35

Fleet Fund - \$34

TDT - \$31

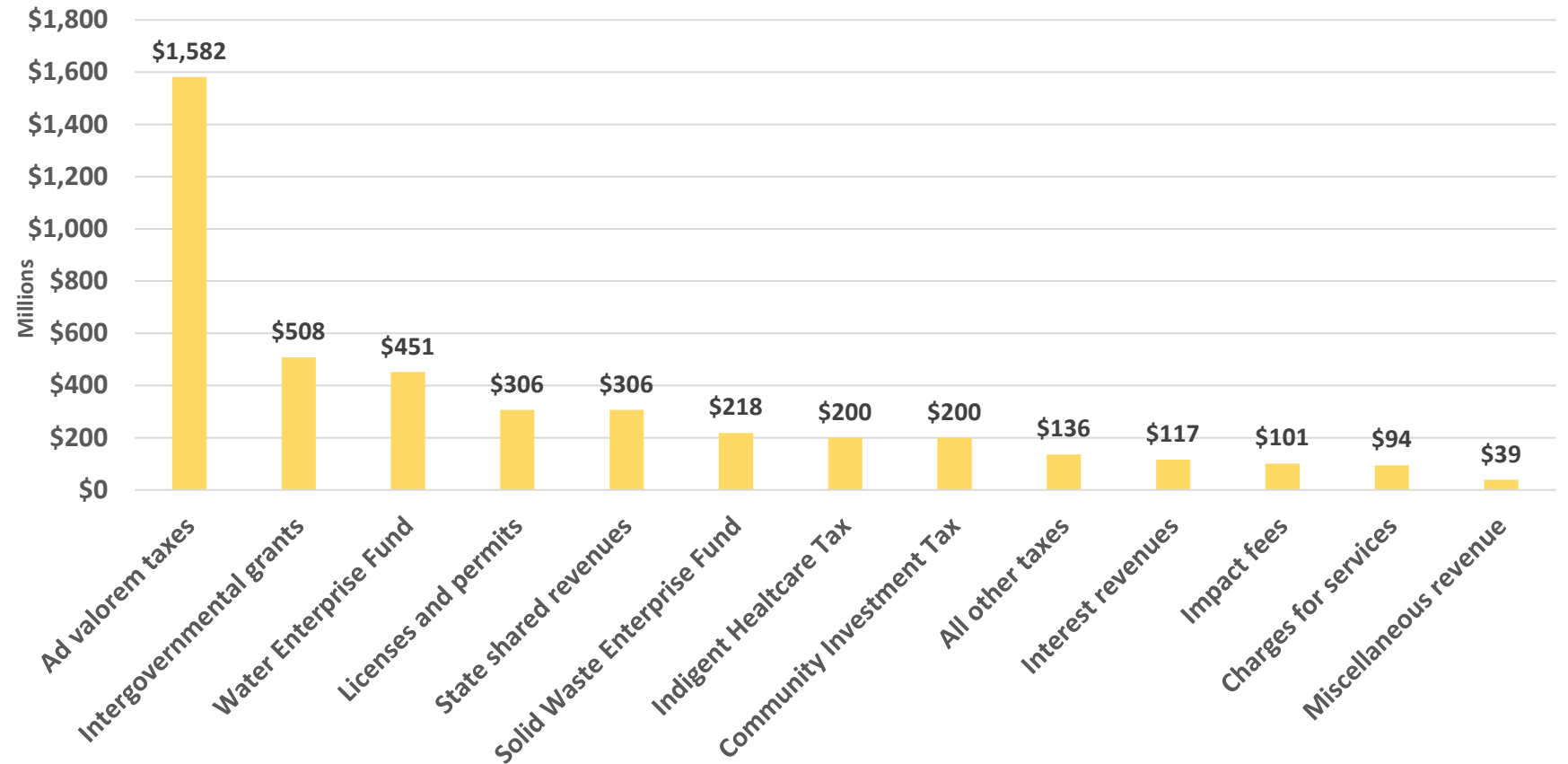
Solid Waste - \$28

Indigent Health Care - \$24

All Other Changes, Net - \$54

Of the County Administrator's \$41 million increase, Fire Rescue represents \$23 million.

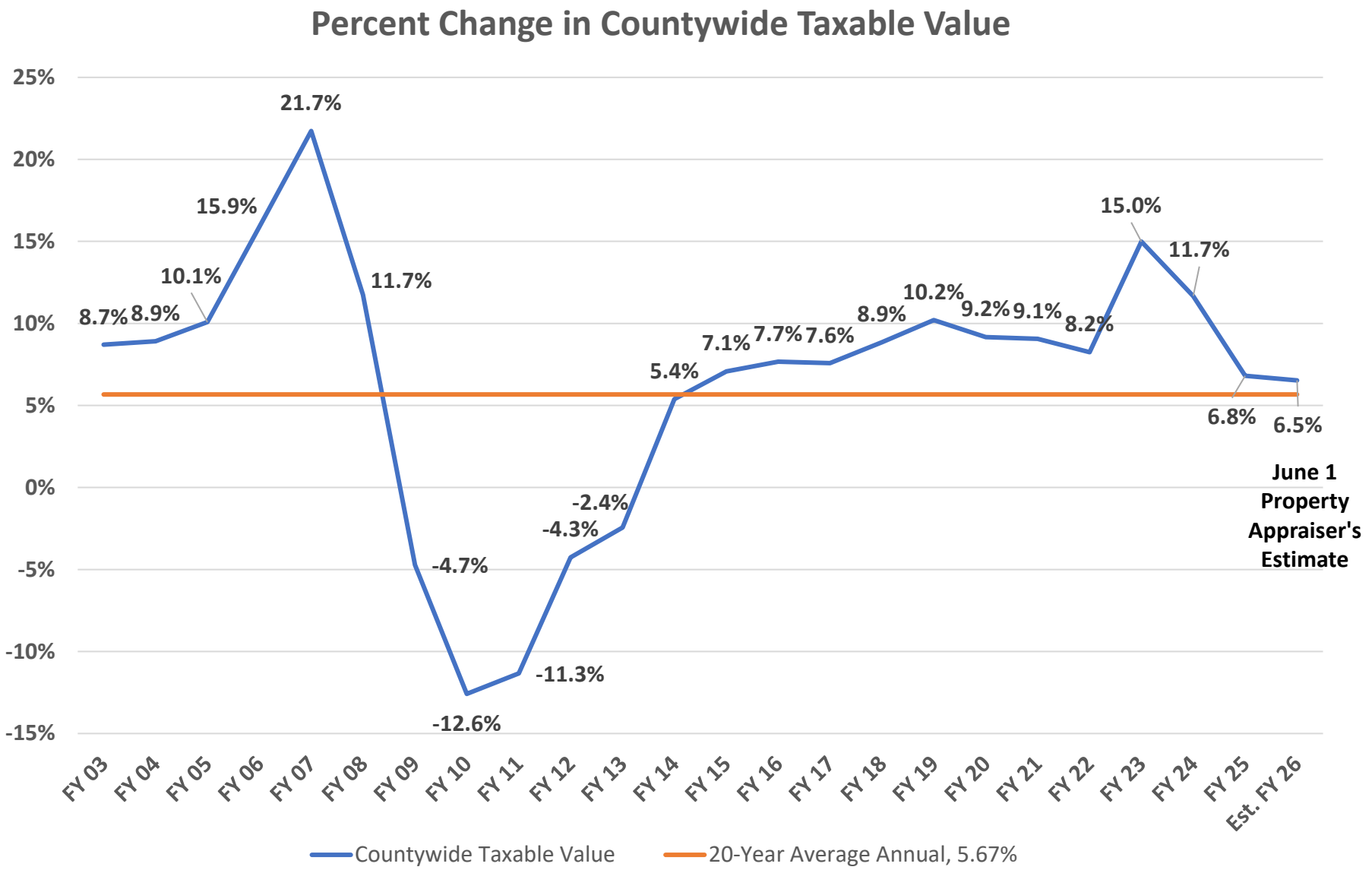
FY 26 Recommended Revenues, \$4.544 Billion



Internal charges = \$288 million

- State shared revenues = fuel taxes, half-cent sales tax, state general revenues, etc.
- Licenses and permits includes an FY 26 special assessment of \$214 million, a pass-through associated with the Hospital Direct Payment Program
- All other taxes = Communications Services Tax, local option fuel tax, ninth-cent fuel tax, tourist development taxes, etc.
- Charges for services = ambulance fees, court costs and charges, etc.
- Miscellaneous revenues include \$9 million in opioid settlement dollars
- Internal charges = insurance, fleet, indirect costs

Taxable Value Changes, FY 03 to FY 25, with June 1 Property Appraiser Estimate for FY 26



Proposed Millage Swap



	Countywide	Unincorporated Area	Net Change in Revenue
June 1, 2025 Taxable Value	\$ 178,900,000,000	\$ 106,400,000,000	
Impact of a 0.050 mil swap	\$ (8,945,000)	\$ 5,320,000	\$ (3,625,000)
Impact of a 0.100 mil swap	\$ (17,890,000)	\$ 10,640,000	\$ (7,250,000)
Impact of a 0.150 mil swap	\$ (26,835,000)	\$ 15,960,000	\$ (10,875,000)

A 0.100 mil swap is incorporated in the FY 26 County Administrator's Recommended Budget. This will be in addition to the 0.100 mil swap, and the additional Countywide millage reduction of 0.0283 mils approved by the Board in the FY 25 Budget.

The FY26 County Administrator's Recommended Budget also reflects the elimination of the Unincorporated Area Parks Debt Millage of 0.0259 mils. The Parks Debt matures during FY 25.

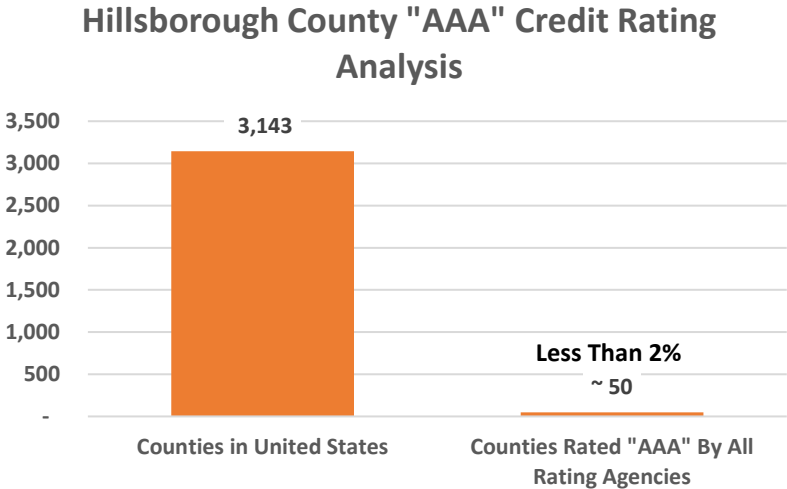
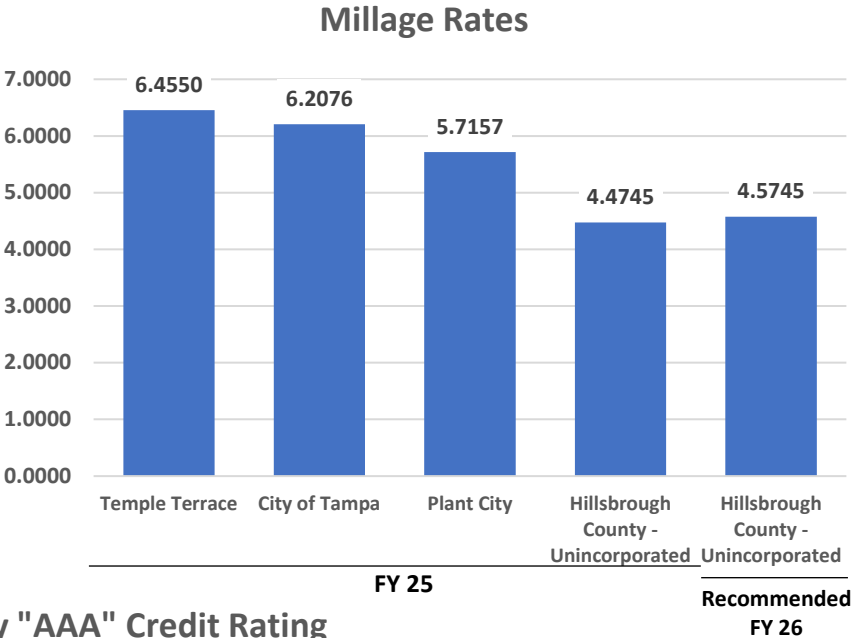
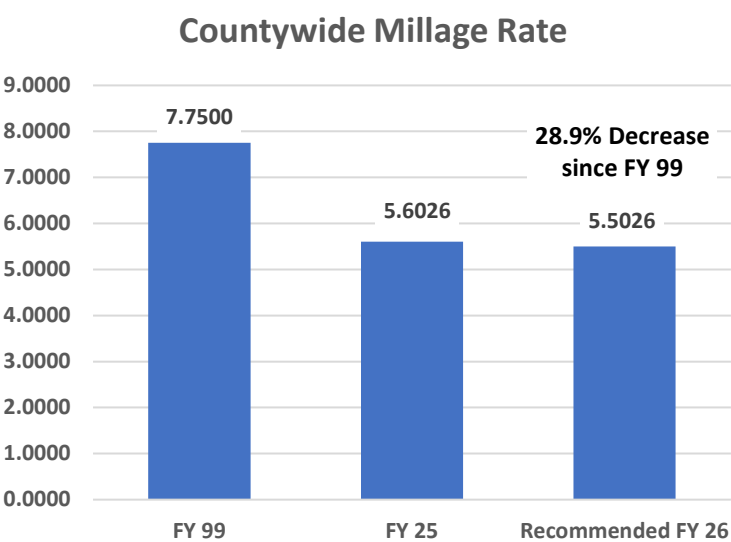
Millage Swap Impact on \$350,000 Home



Unincorporated Area Homestead with Assessed Value of \$350,000				
	<u>Countywide</u>	<u>Unincorporated Area</u>	<u>Total</u>	
Impact of a 0.025 mil swap	\$ (8)	\$ 8	\$	-
Impact of a 0.050 mil swap	\$ (15)	\$ 15	\$	-
Impact of a 0.100 mil swap	\$ (30)	\$ 30	\$	-

City Homestead with Assessed Value of \$350,000				
	<u>Countywide</u>	<u>Unincorporated Area</u>	<u>Total</u>	
Impact of a 0.025 mil swap	\$ (8)	\$ -	\$	-
Impact of a 0.050 mil swap	\$ (15)	\$ -	\$	(15)
Impact of a 0.100 mil swap	\$ (30)	\$ -	\$	(30)

Millage Rates and Credit Ratings



Countywide General Fund Characteristics



- Funds services for all Hillsborough County residents
- Operating millage rate of 5.5026 mils assessed on all properties (FY 26)
 - \$1,651 on a home with an assessed value of \$350,000

- Services

Sheriff – primarily jail operations

Clerk of Courts, Supervisor of Elections, Tax Collector, Property Appraiser

Court Operations

Human Services

Emergency Management

Conservation and Parks

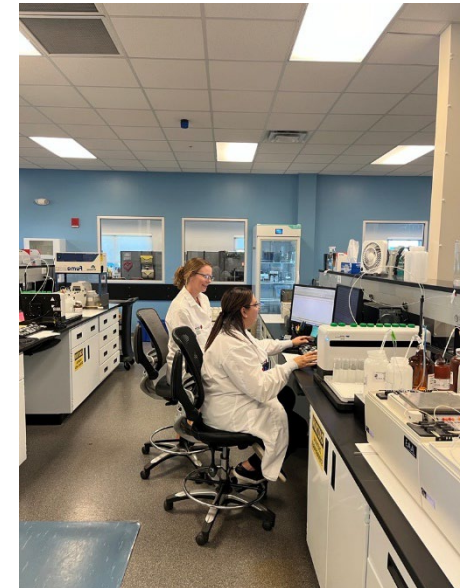
Affordable Housing

Economic Development

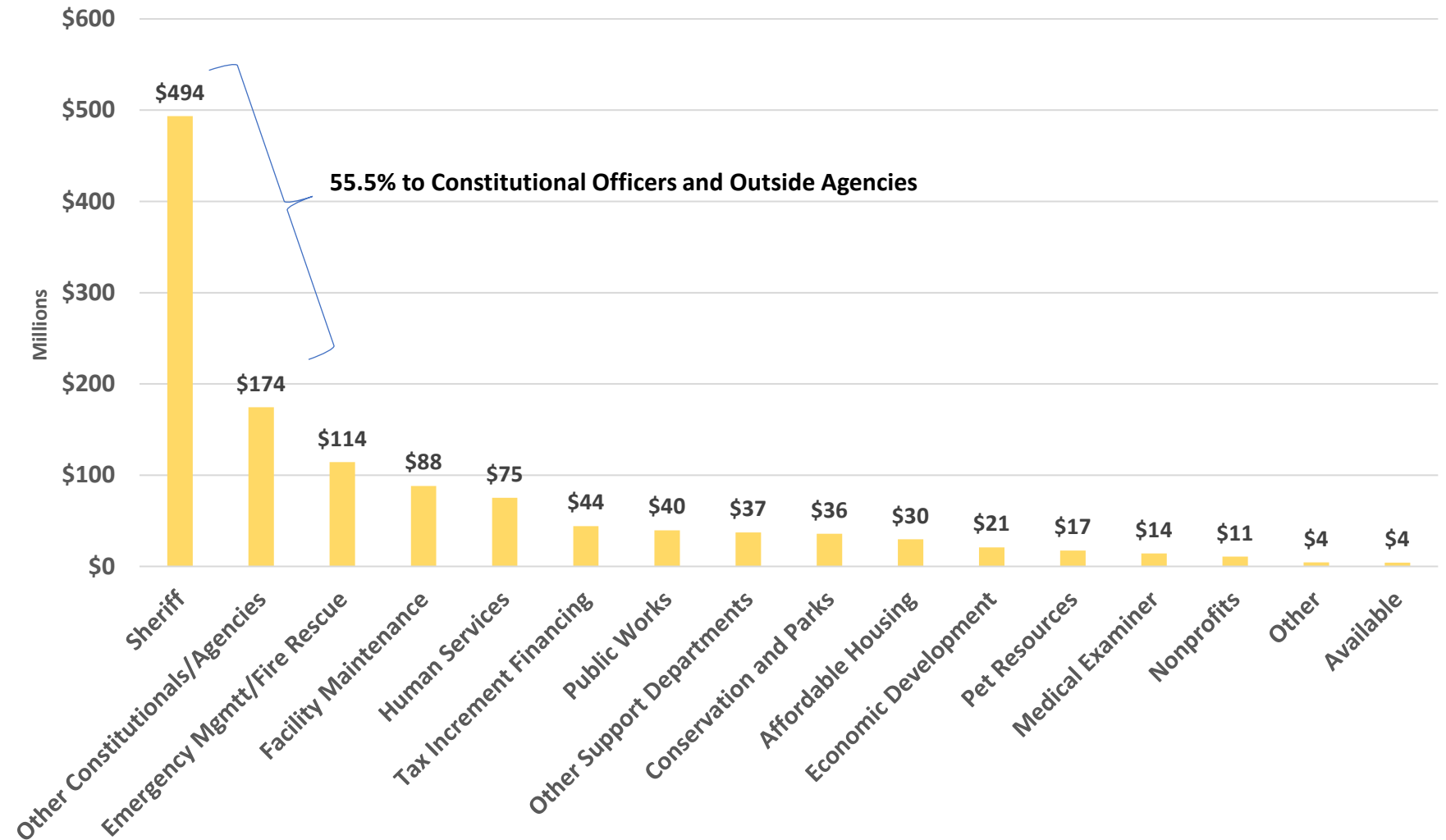
Medical Examiner

Pet Resources

Support Services – HR, Budget, Procurement, IIO, etc.



FY 26 Recommended Countywide General Fund, \$1.623 Billion



Reserves = \$321.8 million
Intrafund Transfers = \$13.5 million

Other Constitutionals/Agencies = Supervisor of Elections, Property Appraiser, Tax Collector, Clerk of the Court, Public Defender, Courts, State Attorney, Environmental Protection Commission, Planning Commission, Soil and Water, Guardian Ad Litem

Other support departments are net of indirect cost reimbursements of \$84 million. These departments include Management and Budget, Procurement, Communications, Human Resources, Risk Management, etc.

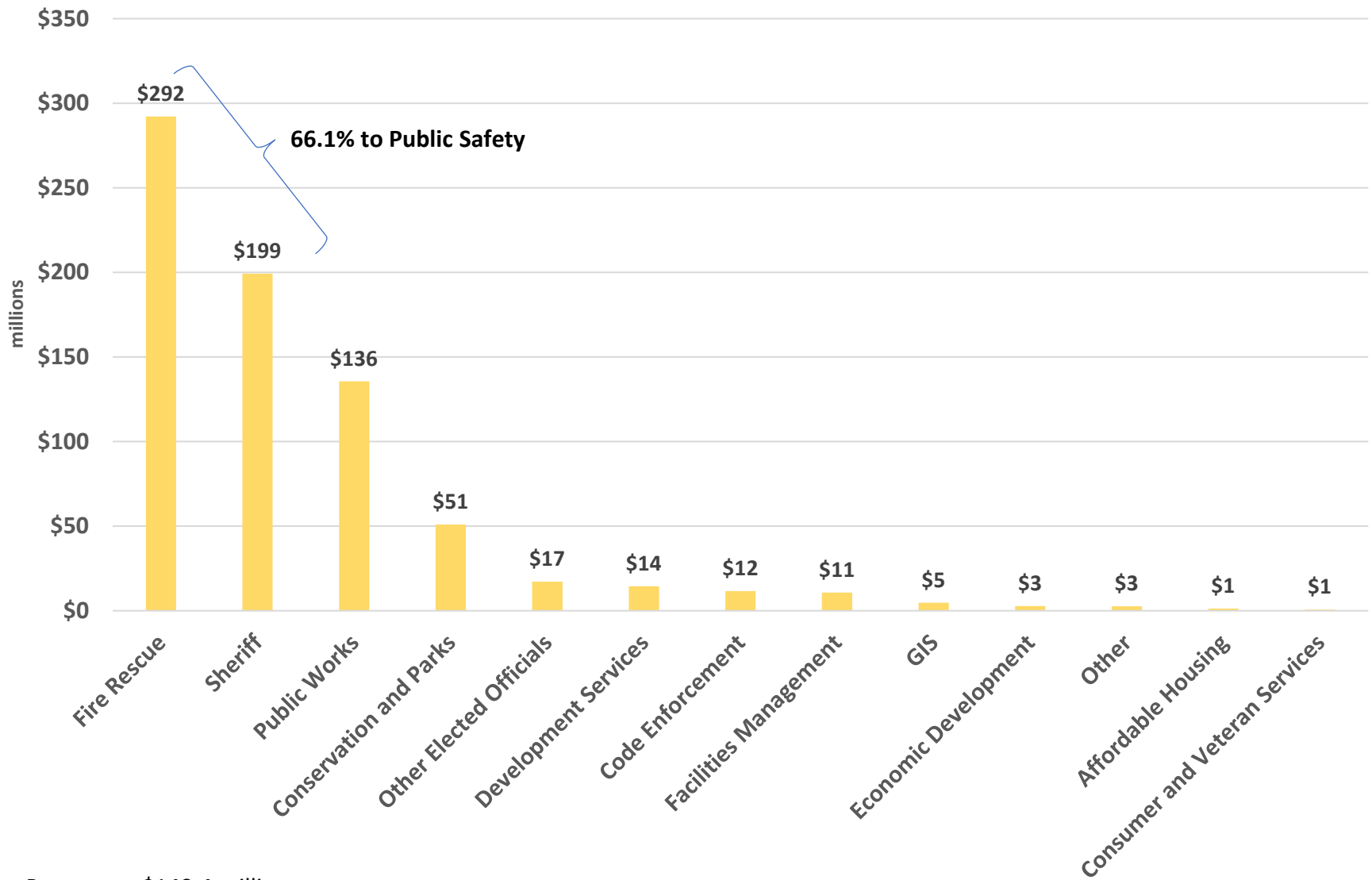
Unincorporated Area General Fund Characteristics



- Funds services for unincorporated area residents of Hillsborough County – services typically closely mirror those provided to city residents through city millage assessments
- Operating millage rate of 4.5745 mils assessed on all unincorporated area properties (FY 26)
 - \$1,372 on a home with an assessed value of \$350,000
 - City of Tampa's millage is 6.2076, Plant City's millage is 5.7157, and Temple Terrace's millage is 6.4550 (FY 25)
- Services:
 - Fire Rescue
 - Sheriff – primarily patrol operations
 - Public Works
 - Parks and Recreation
 - Development Services
 - Code Enforcement

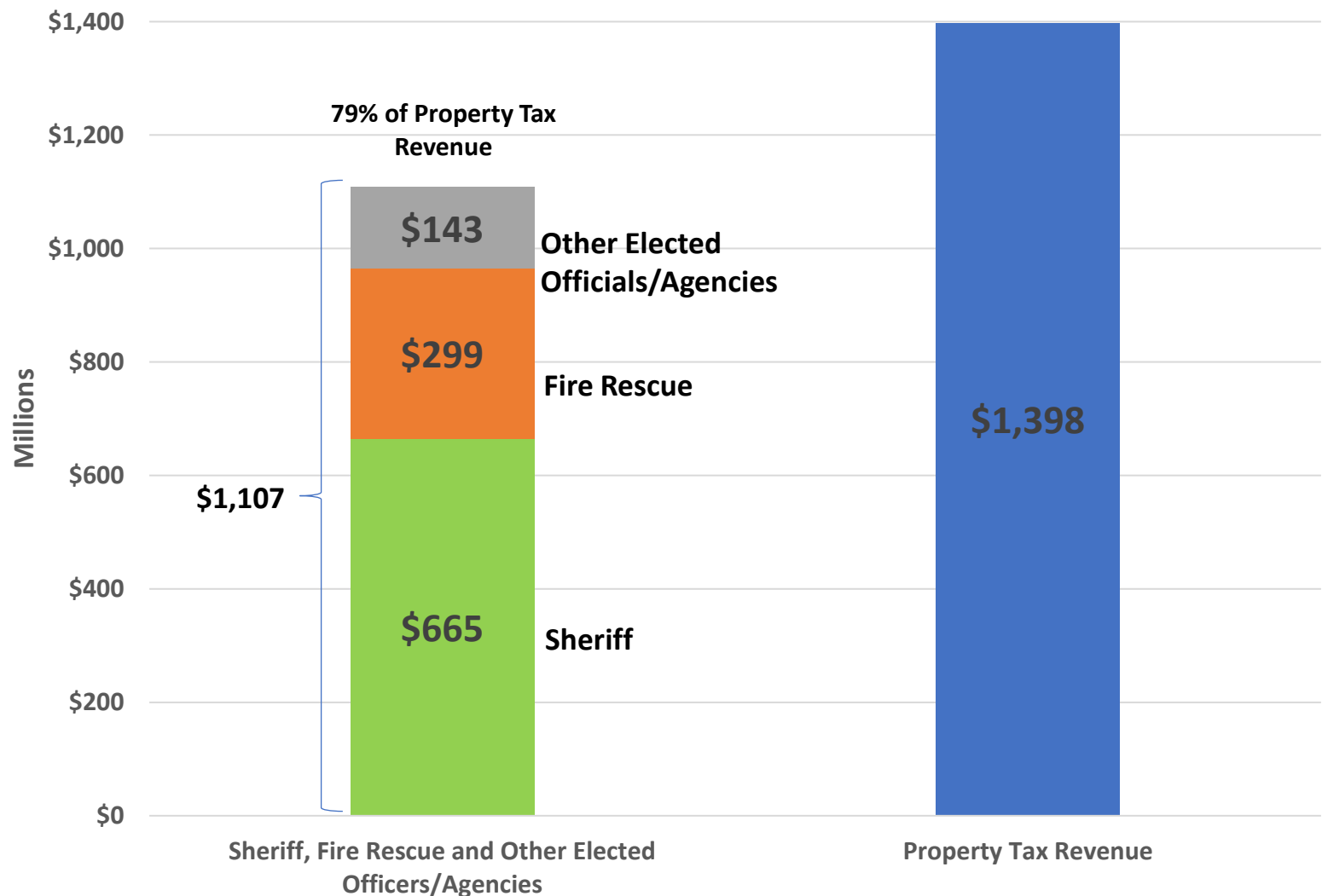


FY 26
Recommended
Unincorporated
Area General
Fund,
\$894 Million



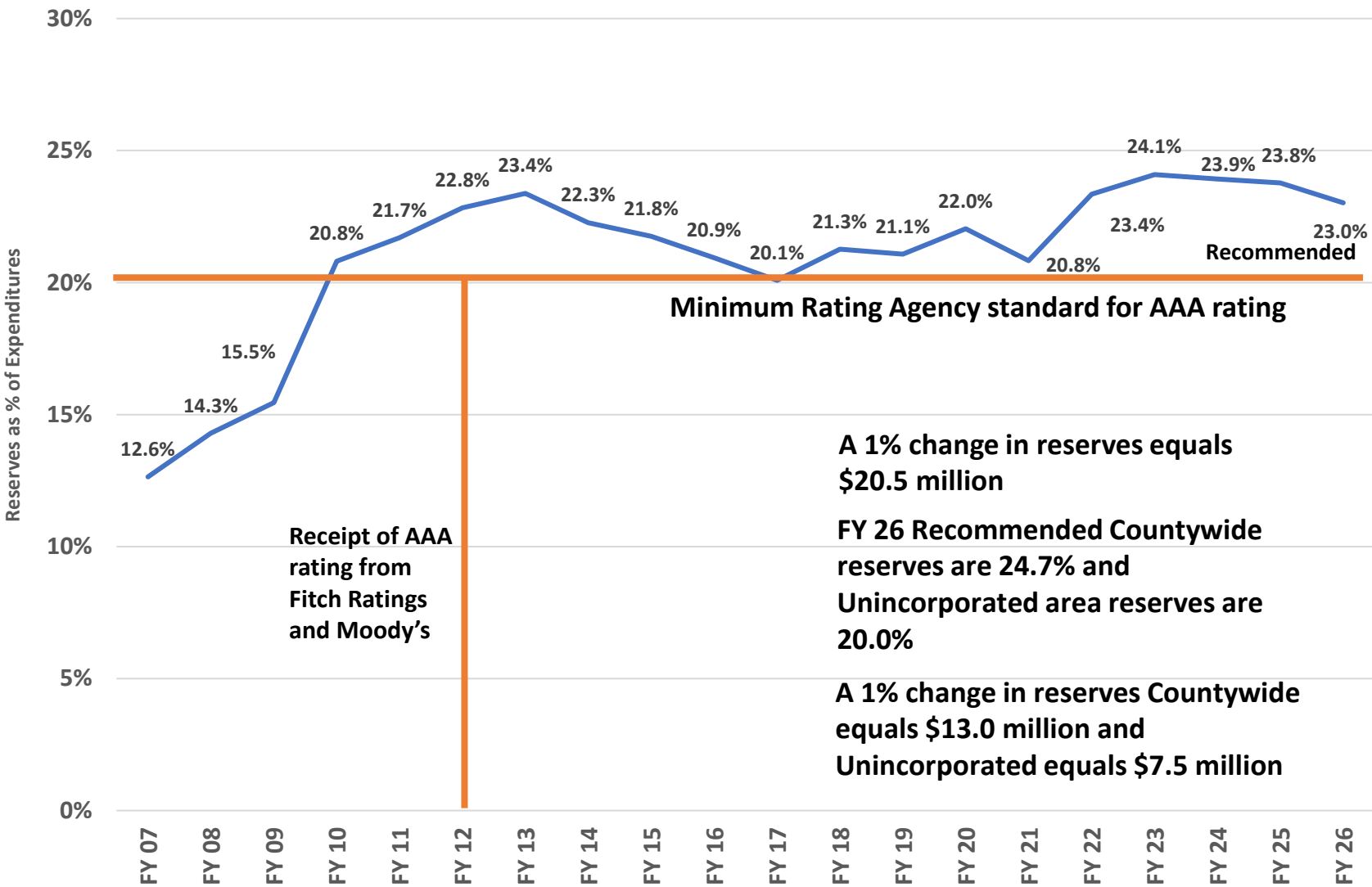
Reserves = \$149.4 million
Intrafund Transfers = \$1.0 million

FY 26
Comparison of
Public Safety and
Other
Constitutional
Officer Budgets
to General Funds
Property Tax
Revenue

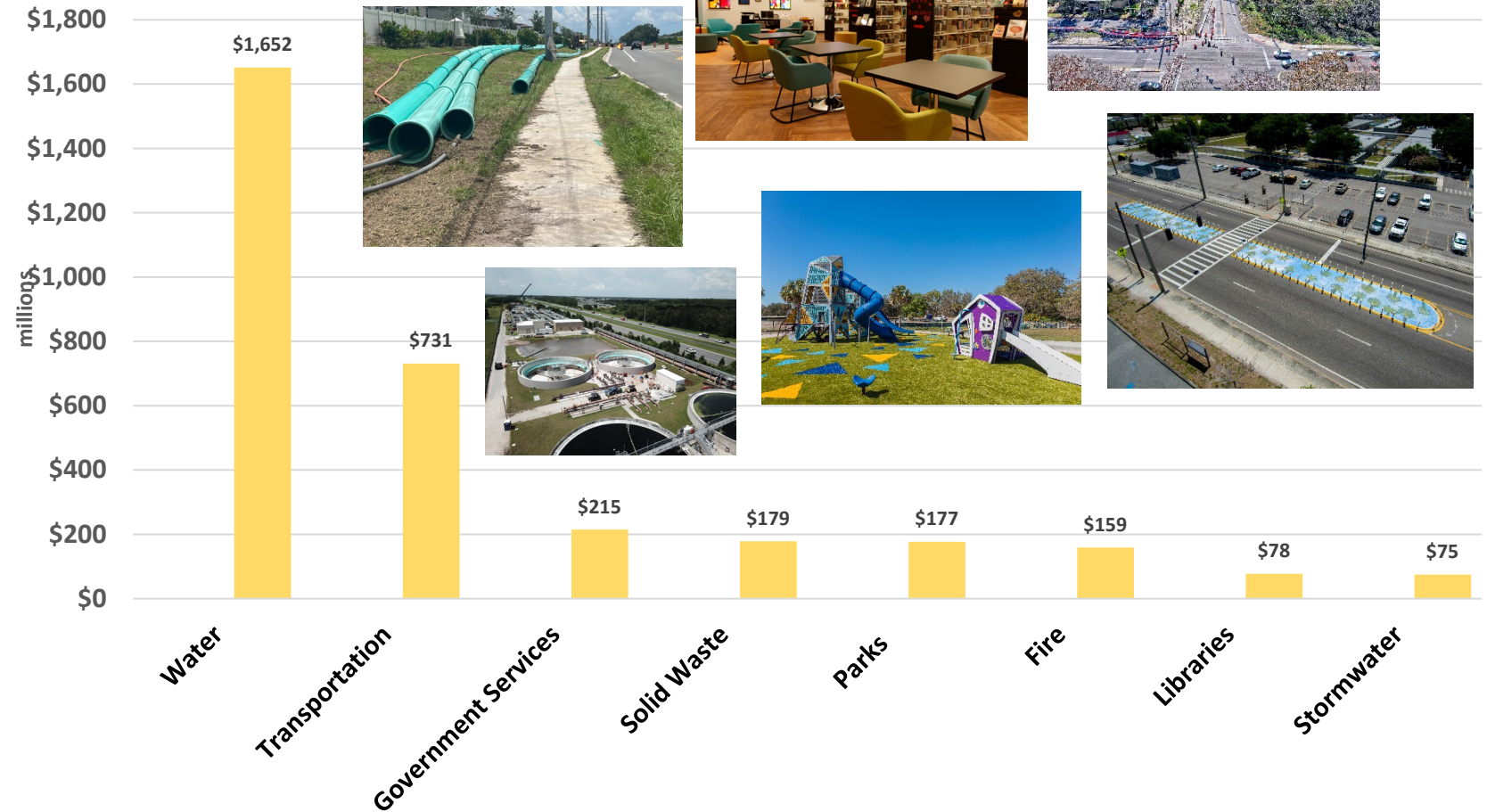


Other Elected Officials/Agencies includes Constitutional Officers, Environmental Protection Commission, Courts, Planning Commission, Soil and Water, and Value Adjustment Board

General Fund Reserve Analysis



FY 26 Recommended Capital Budget, \$3.266 Billion



FY 26 Capital Investments – General Funds and CIT



Type of Investment	(millions)
Transportation	\$134.7
Fire Rescue/Emergency Management	\$ 33.7
Sheriff	\$ 30.1
Stormwater	\$ 10.0
Veterans Memorial Park	\$ 5.0
Pet Resources	\$ 5.0
Parks	\$ 4.6

History of Transportation Funding from General Funds and CIT (in millions)

Year	Countywide General Fund	Unincorporated Area General Fund	Community Investment Tax	Total
FY 20 Adopted	\$ -	\$ 8.5	\$ 1.0	\$ 9.5
FY 21 Adopted	\$ 5.0	\$ -	\$ -	\$ 5.0
FY 22 Adopted	\$ 6.5	\$ 7.4	\$ -	\$ 13.9
FY 23 Adopted	\$ 2.1	\$ 5.3	\$ -	\$ 7.4
FY 24 Adopted	\$ 11.0	\$ 11.1	\$ 28.0	\$ 50.1
FY 25 Adopted	\$ 45.4	\$ 25.7	\$ 48.0	\$ 119.1
FY 26 Recommended	\$ 14.0	\$ 73.8	\$ 46.9	\$ 134.7

Total FY 20 to FY 26 investment of \$339.7 million.



FY 26 Recommended Transportation System Investments (in millions)



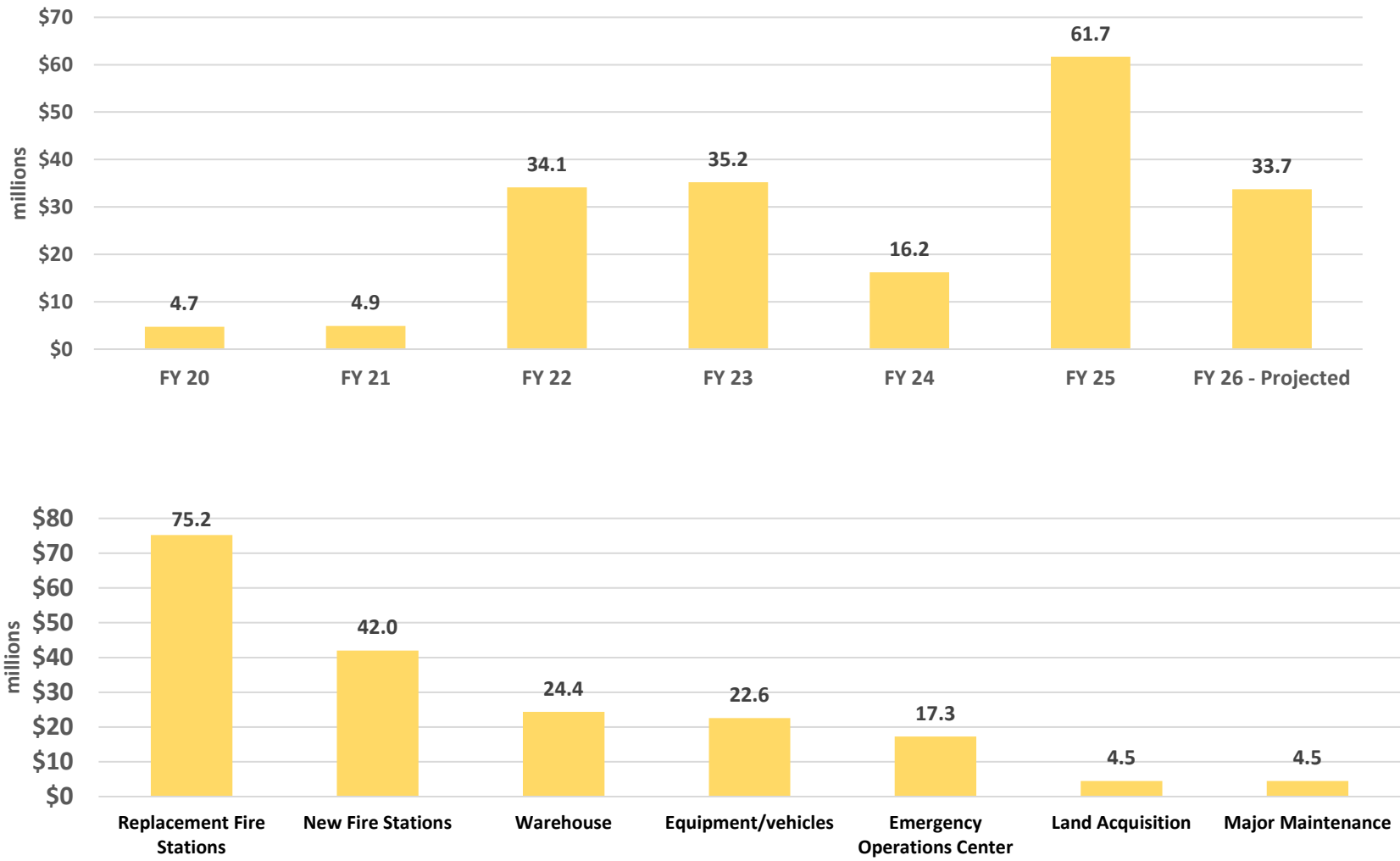
	Countywide General Fund	Unincorporated Area General Fund	Community Investment Tax	Total
Bridges and Guardrails	\$ 7.0	\$ 9.0	\$ 4.9	\$ 20.9
Corridor Safety Improvements	\$ -	\$ 3.1	\$ 4.0	\$ 7.1
Sidewalks	\$ -	\$ 13.7	\$ 6.0	\$ 19.7
Intersection Improvements	\$ 7.0	\$ 13.0	\$ 7.0	\$ 27.0
Resurfacing	\$ -	\$ 35.0	\$ -	\$ 35.0
Lithia Pinecrest Rd Corridor Improv.	\$ -	\$ -	\$ 12.5	\$ 12.5
Van Dyke Rd Corridor Improv.	\$ -	\$ -	\$ 12.5	\$ 12.5
	\$ 14.0	\$ 73.8	\$ 46.9	\$ 134.7

In addition to the above information, approximately \$47 million was invested from other funding sources including fuel taxes, mobility fees, etc.

Total new funding for resurfacing in FY 26 is \$40.4 million. The funding includes the above sources plus \$5.4 million in fuel taxes.

History of Capital Investments in Fire Rescue – FY 20 – FY 25, with Recommended FY 26

\$190.5 Million



Fire Stations and Vehicles – FY 20 – FY 25, with Recommended FY 26



Replacement Fire Stations

- Thonotosassa #21
- Brandon #11
- Gunn Highway #13
- Midway #30
- West Hillsborough #20
- Palm River #15
- Armdale #10
- Falkenburg #33 (FY 26)

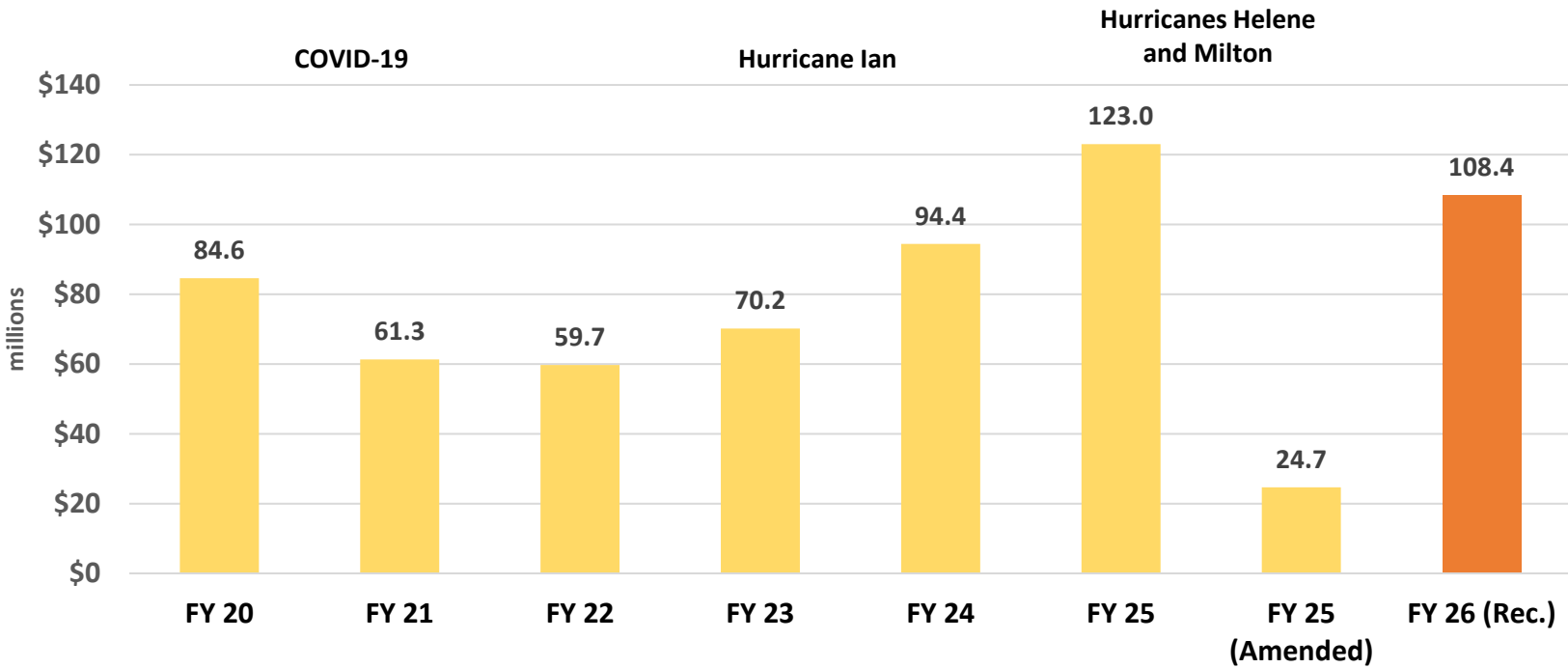
New Fire Stations

- Sun City North #47
- Progress Village #48
- Airport Industrial #49
- Race Track Road #50 (FY 26)

Vehicles

- New Rescue Ambulance Units (16)
- Four SHERP amphibious vehicles (4)

History of Catastrophic Reserve



Board Policy 03.02.02.02 – Use of Excess Fund Balance targets catastrophic reserves at 8% of general fund expenditures (\$153 million for FY 25)

Hurricanes Helene and Milton have created a funding need estimated between \$150-\$200 million (before FEMA reimbursement). Neither of these storms directly hit Hillsborough County.

The County will eventually receive FEMA reimbursements for Hurricanes Helene and Milton that will replenish the catastrophic fund. However, the timing and amounts of reimbursement are unknown. The above analysis is an attempt to demonstrate the immediate cash needs that can occur when there is a disaster event.

Budget Reconciliation Public Hearing, July 30, 2025

- **Truth-in-Millage (TRIM) process**
 - **Set in Florida Statutes**
 - **Specific language**
 - **Set initial millage rates by motion**
- **Discuss \$10 million funding in Recommended Budget currently directed to the HOPE Fund in light of ordinance repeal**
- **Flagging process**
 - **Nonprofit Policy**
 - **Nonprofit Funding Request Form**

Budget Calendar



Budget Workshops, Tentative Topics

- April 23 – Budget Overview
- May 28 – Nonprofits, Solid Waste
- June 11 – Budget Status, Water Resources Capital Update
- July 23 – Public Works, Transportation and Stormwater

Property Appraiser Valuation Estimates

- June 1 – Early estimates
- July 1 – Preliminary Certification Estimates

Budget Delivery (at Regular Board Meeting)

- July 16 – FY 26 Recommended Budget

Budget Reconciliation Public Hearing

- July 30 - Flagging and TRIM

Final Public Hearings

- September 4 – Adopt Tentative Budget and Millages
- September 18 – Adopt Final Budget and Millages

