Office of the Comptroller

Liz Sumner, Comptroller

DATE: July 14, 2026

TO: Supervisor Marcelia Nicholson-Bovell, Chairwoman, County Board of Supervisors

FROM: Cynthia (C.J.) Pahl, Financial Services Director

SUBJECT: 2026 Fiscal Projection for Milwaukee County – (For Information Only)

2026 Year-end Fiscal Projection as of May 31, 2026

Wisconsin Statutes Section 59.255(2) and County Ordinance Section 56.02(2) require the Comptroller to provide a monthly update of the fiscal condition of the County. Based on prior year actuals, current year fiscal projections submitted by departments, and known projected actions, Milwaukee County's projected 2026 year-end fiscal status is a ***surplus of $3.0 million.*** This projection is based on the most current reports from departments and best estimates of countywide expenditure and revenue impacts.

FISCAL YEAR 2026				
Period	**Month**	**Projected Year End Position**	**Annual Projection**	**Change from Prior Projection**
1	January	Deficit	($1.1 million)	N/A
2	February	Deficit	($2.3 million)	($1.2 million)
3	March	Surplus	$0.4 million	$2.7 million
4	April	Surplus	$0.3 million	($0.1 million)
5	May	Surplus	$3.0 million	$2.7 million

Major changes to the fiscal status since the March fiscal report are:

- Clerk of Circuit Court – surplus increase of $0.1 million
- Pretrial Services – surplus of $0.1 million
- County Clerk – deficit decrease of $0.1 million
- Office of the Sheriff – deficit increase $0.1 million
- Community Reintegration Center – deficit increase of $0.2 million
- DHHS – surplus increase of $0.4 million
- Parks – deficit decrease of $0.2 million
- Sales Tax – surplus of $1.5 million
- Contingency – surplus decrease of $1.1 million
- Fringe Benefits – surplus increase of $1.6 million

The table on the following page shows the fiscal status of each department. To better help demonstrate month-over-month changes, the table at the end of this report provides a summary of the fiscal information provided by departments for each month of the fiscal year.

Milwaukee County
Annual Fiscal Report of Surplus/Deficit as of May 31, 2026 Period 5

Agency	Description	2026 Projected Revenues	2026 Budgeted Revenues	Revenue Variance	2026 Projected Expenditures	2026 Budgeted Expenditures	Expenditure Variance	Surplus / (Deficit)
	General Fund Departments							
100	County Board	-	-	-	1,236,599	1,236,599	-	-
103	Governmental Affairs	-	-	-	457,612	465,580	7,969	**7,969**
109	Office of Equity	(21,166)	(10,000)	11,166	1,543,620	1,532,454	(11,166)	-
110	County Executive	-	-	-	961,067	1,052,438	91,370	**91,370**
112	Personnel Review Board	-	-	-	236,172	293,329	57,157	**57,157**
113	Corporation Counsel	(406,197)	(344,000)	62,197	3,112,172	3,049,975	(62,197)	**0**
114	Human Resources	-	-	-	7,405,150	7,405,150	-	-
115	Dept of Administrative Services	(8,986,786)	(9,070,307)	(83,521)	46,949,083	47,032,604	83,521	**(0)**
118	Strategy, Budget, and Performance	-	-	-	4,603,274	4,603,274	-	-
200	Combined Court Related Operations	(15,872,138)	(15,231,488)	640,650	32,832,107	33,259,394	427,288	**1,067,938**
290	Courts - Pre-Trial Services	(503,630)	(400,782)	102,848	7,220,141	7,220,048	(93)	**102,755**
301	Election Commission	(85,000)	(85,750)	(750)	1,113,142	1,130,203	17,061	**16,311**
309	County Treasurer	(2,333,973)	(2,230,000)	103,973	997,560	997,560	-	**103,973**
327	County Clerk	(459,650)	(617,355)	(157,705)	1,570,215	1,622,493	52,278	**(105,428)**
340	Register of Deeds	(4,237,300)	(4,237,300)	-	1,605,675	1,605,675	-	-
370	Office of the Comptroller	(143,000)	(143,000)	-	6,496,968	6,496,968	-	-
400	Sheriff	(25,915,707)	(25,645,500)	270,207	80,085,531	75,262,498	(4,823,034)	**(4,552,826)**
430	Community Reintegration Center	(2,079,064)	(2,884,000)	(804,936)	71,506,845	68,232,848	(3,273,997)	**(4,078,933)**
450	District Attorney	(7,178,630)	(7,155,309)	23,321	16,698,898	16,714,764	15,866	**39,187**
480	Emergency Management	(3,992,778)	(4,237,271)	(244,493)	13,048,462	13,293,998	245,536	**1,043**
490	Medical Examiner	(3,998,396)	(3,998,396)	-	5,996,299	5,996,299	-	-
509	Transportation Services	(2,321,395)	(2,466,209)	(144,814)	2,452,839	2,633,865	181,026	**36,212**
510	DOT - Highway Maintenance	(30,197,755)	(30,197,755)	-	30,408,894	30,408,894	-	-
580	DOT - Admin Div	(3,054,329)	(3,047,696)	6,633	3,175,131	3,182,611	7,480	**14,114**
800	Department of Human Services	(135,844,405)	(139,223,376)	(3,378,971)	186,801,962	191,160,249	4,358,287	**979,316**
900	Department of Parks	(29,757,990)	(29,537,041)	220,949	54,624,773	54,403,824	(220,949)	-
950	Zoological Department	(22,153,504)	(22,668,006)	(514,502)	23,328,132	23,842,634	514,502	-
970	Milwaukee Public Museum	-	-	-	3,500,000	3,500,000	-	-
991	University Extension	(128,000)	(128,000)	-	603,781	603,781	-	-
	Non-Departmentals							
190	Revenue Non-Departmental	(496,155,595)	(493,655,595)	2,500,000	-	-	-	**2,500,000**
1991	*Property Tax*	*(309,014,834)*	*(309,014,834)*	*-*	*-*	*-*	*-*	*-*
1992	*Earnings on Investments*	*(16,406,737)*	*(16,406,737)*	*-*	*-*	*-*	*-*	*-*
1996	*0.5% Sales Tax*	*(111,424,164)*	*(108,924,164)*	*2,500,000*	*-*	*-*	*-*	*2,500,000*
194	General Non-Departmental	(77,956,692)	(74,826,301)	3,130,391	118,939,271	122,599,661	3,660,390	**6,790,781**
1945	*Contingency*	*-*	*-*	*-*	*-*	*3,416,742*	*3,416,742*	*3,416,742*
1950	*Fringe Benefits*	*(92,608,177)*	*(89,477,786)*	*3,130,391*	*178,952,435*	*178,952,435*	*-*	*3,130,391*
1951	*Fringe Benefits - 0.4% Sales Tax*	*(86,670,949)*	*(86,670,949)*	*-*	*86,670,949*	*86,670,949*	*-*	*-*
1972	*Wage/Benefit Supplemental*	*-*	*-*	*-*	*-*	*243,648*	*243,648*	*243,648*
199	Parks Non-Departmental	-	-	-	2,447,580	2,447,580	-	-
	Total General Fund	**(873,783,080)**	**(872,040,437)**	**1,742,643**	**731,958,959**	**733,287,253**	**1,328,294**	**3,070,937**
	Other Funds							
116	Information Management Services	(973,834)	(979,455)	(5,621)	17,022,325	16,946,235	(76,090)	**(81,711)**
117	Risk Management	-	-	-	12,647,562	12,647,562	-	-
504	DOT - Airport Division	(105,285,232)	(105,285,232)	-	105,285,232	105,285,232	-	-
530	DOT - Fleet Management	(25,868,872)	(25,872,872)	(4,000)	25,451,745	25,460,749	9,004	**5,004**
560	DOT - Transit/Paratransit System	(131,571,643)	(132,119,063)	(547,420)	160,686,759	161,234,179	547,420	-
550	DAS - Utility	-	-	-	-	-	-	-
630	Behavioral Health Division	(146,765,150)	(157,013,706)	(10,248,556)	200,499,667	205,061,681	4,562,015	**(5,686,541)**
996	Debt Retirement and Interest	(11,940,266)	(11,940,266)	-	50,335,731	50,335,731	-	-
10024	COVID Expendable Funds	-	-	-	-	-	-	-
120	Capital Improvements	(86,381,723)	(86,381,723)	-	322,990,609	322,990,609	-	-
	Total Other Funds	**(507,812,886)**	**(518,612,862)**	**(10,799,976)**	**877,897,304**	**883,015,743**	**5,118,439**	**(5,763,248)**
	Expendable Trusts							
50003	Zoo Expendable Trusts	(2,053,693)	(2,053,693)	-	2,344,573	2,344,573	-	-
50005	Parks Expendable Trusts	(500,461)	(500,461)	-	500,461	500,461	-	-
50006	OPD Expendable Trusts	-	-	-	-	-	-	-
50007	BHD Expendable Trusts	-	-	-	-	-	-	-
50008	Airport Expendable Trusts	-	-	-	-	-	-	-
50010	DAS Expendable Trusts	-	-	-	-	-	-	-
50011	Fleet Expendable Trusts	-	-	-	-	-	-	-
	Total Expendable Trusts	**(2,554,154)**	**(2,554,154)**	**-**	**2,845,034**	**2,845,034**	**-**	**-**
	Projected Surplus (Deficit)	**(1,384,150,120)**	**(1,393,207,453)**	**(9,057,333)**	**1,612,701,297**	**1,619,148,031**	**6,446,733**	**(2,692,311)**
	Less Expendable Trusts							-
	Contribution (to)/from Behavorial Health Reserves							5,686,541
	Total Projected Surplus (Deficit) - with Contingency							**2,994,230**
	Total Projected Surplus (Deficit) - without Contingency							**(422,512)**

Debt Service Reserve Activity and Projected 2026 Ending Balance	
2025 Yearend Surplus (Estimate)	$ 5,000,000
2026 Starting Balance	$ 152,184,901
2026 Activity	
2026 Budget Commitment	$ (11,129,477)
Unspent Bond Rellocation	$ (805,587)
File #23-808 Move Match Funds from DSR	$ (862,822)
File #24-753 Reestablish Funds from ARPA Tax Levy Swap	$ (3,426,827)
File #26-246 DSR to Economic Development	$ (164,591)
File #24-753 Reestablish Unobligated Parks Match	$ (101,191)
File #26-292 Reallocate Lapsed Project Funds	$ (656,340)
File #26-400 May 2026 Lapsed Projects	$ 241,758
2026 Projected Balance	**$ 135,279,825**

Unallocated Contingency Fund	
2026 Adopted Balance	**$ 4,000,000**
County Board Approved Actions	
Unspent Bond Rellocation	$ 22,140
File #26-292 Lapsed Project Fund Reallocation	$ 408,943
2026 County Board Adopted Budget True-Up	$ 6,957
File #26-329 DAS-Facilities Management	$ (313,039)
File #26-328 McGovern Senior Center	$ (100,000)
File #26-500 Sheridan Park Bluff	$ (1,126,580)
Current Available Balance	**$ 2,898,421**

Allocated Contingency Fund	
2026 Adopted Balance	**$ 500,000**
Allocated Items	
ARPA Treasury True-Up	$ 18,321
Current Available Balance	**$ 518,321**

Committee Action

This is an informational report only.

Cynthia (CJ) Pahl, Financial Services Director
Office of the Comptroller

DESCRIPTION OF SIGNIFICANT SURPLUS AND DEFICIT PROJECTIONS FOR 2026

Combined Court Related Operations *(Agency 200)* ***$1.1 million surplus***

The Department of Combined Court Related Operations is projecting a surplus of $1.1 million due to an increase in fines and forfeitures and savings in legal fees and psychiatrist fees.

Courts Pretrial Services *(Agency 290)* ***$0.1 million surplus***

The Department of Pretrial Services is projecting a surplus of $0.1 million due to unanticipated revenue of $0.1 million.

County Treasurer *(Agency 309)* ***$0.1 million surplus***

The County Treasurer is projecting a surplus of $0.1 million due to anticipated surplus in interest earned on delinquent property taxes.

County Clerk *(Agency 327)* ***($0.1 million deficit)***

The County Clerk is projecting a deficit largely due to marriage ceremony fees that are not currently being earned, offset by a surplus in personnel costs.

Office of the Sheriff *(Agency 400)* ***($4.6 million deficit)***

The overtime needs of the Office of the Sheriff continue to trend over budget. For 2026, the current estimate is an overtime deficit of $7.6 million and social security deficit of $0.3 million. These deficits are offset by an estimated $3.5 million in salary savings. The Office of the Sheriff is also projecting an expenditure deficit of $0.4 million from services provided to the airport coming in less than budget. The Office of Sheriff is predicting a net revenue surplus of $0.3 million from $0.9 million in received RNC revenue that is offsetting approximately $0.7 million in less revenue from fines, forfeitures, and charges for services.

Community Reintegration Center *(Agency 430)* ***($4.1 million deficit)***

The overtime needs of the Community Reintegration Center (CRC) continue to trend over budget. For 2026, the current estimate is an overtime deficit of $2.6 million, an increase of $0.4 million since April. The CRC further is estimating a salary and social security deficit of $0.5 million and a capital outlay deficit of $0.3 million. The CRC is also projecting a revenue deficit of $0.8 million. This revenue deficit is largely due to a shortfall in state revenue due to the suspension of transfers from the Wisconsin Department of Corrections. Charges for services and other revenue are underbudget (due to telephone revenue and electronic monitoring revenue) which are largely offset by a surplus in concessions revenue.

MCDOT - Transit *(Agency 560)* ***Breakeven***

Transit is currently projecting a net surplus of $0.5 million based on trends from the first quarter. This surplus is a result of reduced overtime, lower paratransit expenditures due to higher contractor efficiency, and strategic agency fare enforcement. Offsetting these surpluses are potential shortfalls in vehicle registration fee (VRF) revenue and other potential federal funding reductions. MCDOT intends to use any surplus funds available at the end of 2026 to reduce the federal stimulus funding by the same amount in 2026, which would result in a breakeven for 2026 and extend federal stimulus funds availability into 2027.

Not included in this projection are potential savings due to the recently amended paratransit service contract. MCTS anticipates a credit of $0.4 million and savings of approximately $1.5 million from invoiced but not paid expenses to the paratransit provider in 2025. The Comptroller's Office, MCTS, and MCDOT are currently reconciling the accounting and budget impacts by fiscal year of those credits and savings. MCDOT intends to provide a report to the County Board once the impacts are determined.

DHHS – Behavioral Health Services *(Agency 630)* **(*$5.7 million deficit)***

The DHHS – BHS Division is projecting a deficit of $5.7 million for 2026, an increase of $0.4 million since April. This deficit is largely due to adult community-based residential facility (CBRF) and adult family home (AFH) placement costs, youth client service costs, a revenue shortfall in substance use disorder (SUD) services, and inpatient psychiatric placement costs trending higher than budget.

Department of Health & Human Services *(Agency 800)* ***$1.0 million surplus***

The surplus in DHHS is primarily driven by significant savings in personnel costs and vendor expenses trending lower in CYFS.

Department of Parks, Recreation, and Culture *(Agency 900)* ***Breakeven***

Parks was previously projecting a deficit of $0.2 million due to the price of gasoline but is now projecting a revenue surplus of $0.2 million for a breakeven projection.

Non-Departmental Expenditures and Revenues

Appropriation for Contingency *(Org 1945)* ***$3.4 million surplus***

The contingency fund's balance, if unused, falls to the bottom line at the end of the fiscal year and is available to offset any potential issues. As of today, the contingency fund has a balance of $3.4 million.

Fringe Benefits *(Org 1950)* ***$3.1 million surplus***

- **Medical claims:** Early 2026 trends in healthcare and pharmaceutical claims are erratic. Looking back to medical claims in 2025, the County's average medical claims growth rate was a historic 22% increase through September of 2025 which was followed by a significant decline to -6% for most of October and November, likely due to the contract dispute between UHC and Ascension. Those rates picked up shortly after the dispute was resolved, and rates jumped back to over 27%. For 2026, the first four weeks of medical claims was an increase of 25% over 2025, some of which is likely still attributable to the contract dispute between UHC and Ascension. Since then, week-over-week claims have varied from a 70% decrease to a 32% increase over 2025, making it difficult to assess where the County's trend is heading. Assuming a modest 5.5% growth rate for the remainder of 2026 results in a surplus of $7.0 million in medical claims. However, these gains are offset by pharmacy and rebate shortfalls.

- **Pharmacy claims:** Active and pre-65 retiree pharmacy claims cost continue to trend at rates the County has not experienced. In 2025, the pharmacy growth rate was 19%. For the first five months of 2026, year-over-year growth averages 23%. Post-65 pharmacy growth rates have dramatically shifted from an annual increase of 20% in 2025 to a 14% decline in the first several months of 2026. If these rates continue, there would likely be a surplus of $1.6 million in pharmacy expenditures. However, this reduction in post-65 claims is due to changes resulting from the Inflation Reduction Act (IRA) and will also impact the County's rebates. What remains unclear is the extent of the reduction in rebates which will offset these savings. With one month of 2026 rebates received under certain IRA changes, there appears to be a higher rebate earnings potential than originally estimated, but the estimate is still under budget by $2.7 million.
- **WRS Pension Contributions:** As reported by the Office of Strategy, Budget, and Performance during the 2026 budget hearings, the budget for WRS pension expenses and employee contributions was likely to result in a deficit for the 2026 fiscal year. After three months of expenses and revenues, the estimated net deficit is $1.4 million.
- **Employee Health Contributions:** Based on eight payroll cycles, there is likely a surplus of $875,000 in employee health contributions.

The net result when factoring in revenue loss for the surpluses anticipated is a surplus of $3.1 million. The Office of the Comptroller will continue to monitor weekly claims data and provide updated information as additional claims are paid and rebates are received.

Wage and Benefit Supplemental *(Org 1971)* ***$0.2 million surplus***

An allocation of $1.86 million was included in the 2026 Adopted Budget to support the 2026 cost of salary increases implemented in December 2025 related to the Compensation Transformation Project. After those changes were implemented, $0.2 million remains unallocated and available to offset other countywide deficits.

Sales Tax *(Org 1996)* ***$2.5 million surplus***

Sales tax in 2025 finished with a strong annual growth of over 4%. With five months of sales tax collections received and assuming month-over-month growth of 3.8% for the remainder of the year, the County would end with a surplus of $2.5 million in 0.5% sales tax which would be available to offset other deficits. Assuming a 3.8% growth rate for the remainder of the year is reasonable, however, the Office of the Comptroller will continue to monitor monthly sales tax data and provide updated projections as additional collections are received.

Investment Earnings *(Org 1992)* ***Breakeven***

Long-term investments in 2025 averaged monthly yields of around 4.4%; short-term investments averaged monthly yields of 3.3% but declined to 2.8% in December. Assuming similar daily average investments and yields in 2026, the County could earn roughly $21 million, depending on how the County's mark-to-market adjustments impact overall earnings. Total earnings are further reduced by the amounts allocated to County interest-bearing accounts. The budget is approximately $16 million, so the final earnings rates, mark-to-market adjustments, and allocations will all impact the year-end position of investment earnings. Currently, no surplus is anticipated.

Milwaukee County
Cummulative Summary of Monthly Departmental Projections for 2026

Agency	Description	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sept-26	Oct-26	Nov-26	Dec-26	FINAL
	General Fund Departments													
100	County Board	-	-	-	-	-								
103	Governmental Affairs	-	-	7,968	7,965	7,969								
109	Office of Equity	-	-	-	-	-								
110	County Executive	-	-	87,697	90,222	91,370								
112	Personnel Review Board	158,455	41,356	53,453	84,150	57,157								
113	Corporation Counsel	-	-	-	-	0								
114	Human Resources	-	-	2,392	-	-								
115	Dept of Administrative Services	-	-	-	-	(0)								
118	Strategy, Budget, and Performance	-	-	-	-	-								
200	Combined Court Related Operations	489,779	590,469	773,010	942,483	1,067,938								
290	Courts - Pre-Trial Services	20,000	19,000	18,907	(93)	102,755								
301	Election Commission	57,132	13,611	8,853	22,366	16,311								
309	County Treasurer	-	43,308	103,522	103,627	103,973								
327	County Clerk	(175,300)	(144,708)	(150,641)	(175,187)	(105,428)								
340	Register of Deeds	-	-	-	-	-								
370	Office of the Comptroller	-	-	-	-	-								
400	Sheriff	(4,660,213)	(5,226,994)	(4,401,849)	(4,481,763)	(4,552,826)								
430	Community Reintegration Center	(1,435,830)	(2,695,870)	(2,825,419)	(3,848,682)	(4,078,933)								
450	District Attorney	1,000	3,783	38,186	33,517	39,187								
480	Emergency Management	-	-	191	1,912	1,043								
490	Medical Examiner	-	-	-	-	-								
509	Transportation Services	41,293	190,675	40,043	30,662	36,212								
510	DOT - Highway Maintenance	-	-	-	-	-								
580	DOT - Admin Div	15,698	19,114	14,114	14,114	14,114								
800	Department of Human Services	-	127,360	366,484	530,053	979,316								
900	Department of Parks	-	-	-	(220,949)	-								
950	Zoological Department	-	-	-	-	-								
970	Milwaukee Public Museum	-	-	-	-	-								
991	University Extension	-	-	-	-	-								
	Non-Departmentals													
190	Revenue Non-Departmental	-	-	-	1,000,000	2,500,000								
1991	*Property Taxes*	-	-	-	-	-								
1992	*Earnings on Investments*	-	-	-	-	-								
1996	*Sales Tax*	-	-	-	*1,000,000*	*2,500,000*								
194	General Non-Departmental	4,500,000	4,765,788	6,368,649	6,268,649	6,790,781								
1945	*Contingency*	*4,500,000*	*4,522,140*	*4,625,001*	*4,525,001*	*3,416,742*								
1950	*Fringe Benefits*	-	-	*1,500,000*	*1,500,000*	*3,130,391*								
1951	*Fringe Benefits - 0.4% Sales Tax*	-	-	-	-	-								
1972	*Wage/Benefit Supplemental*	-	*243,648*	*243,648*	*243,648*	*243,648*								
199	Parks Non-Departmental	-	-	-	-	-								
	Other Funds													
116	Information Management Services	-	-	-	-	(81,711)								
117	Risk Management	-	-	-	-	-								
504	DOT - Airport Division	-	-	-	-	-								
530	DOT - Fleet Management	-	(56,142)	(61,142)	(62,142)	5,004								
560	DOT - Transit/Paratransit System	-	-	-	-	-								
550	DAS - Utility	-	-	-	-	-								
630	Behavioral Health Division	(1,000,000)	(4,143,606)	(3,799,640)	(5,313,905)	(5,686,541)								
996	Debt Retirement and Interest	-	-	-	-	-								
10024	COVID Expendable Funds	-	-	-	-	-								
120	Capital Improvements	-	-	-	-	-								

NR=No Report