



2026 State of the County

Laurie Halverson, chair
Dakota County Board of Commissioners

Leading in Challenging Times

Welcome

2026 State of the County



Jon Althoff

President

Dakota County Regional Chamber of Commerce

Steve Poppen

Executive Vice President

Minnesota Vikings



State of the County

2026

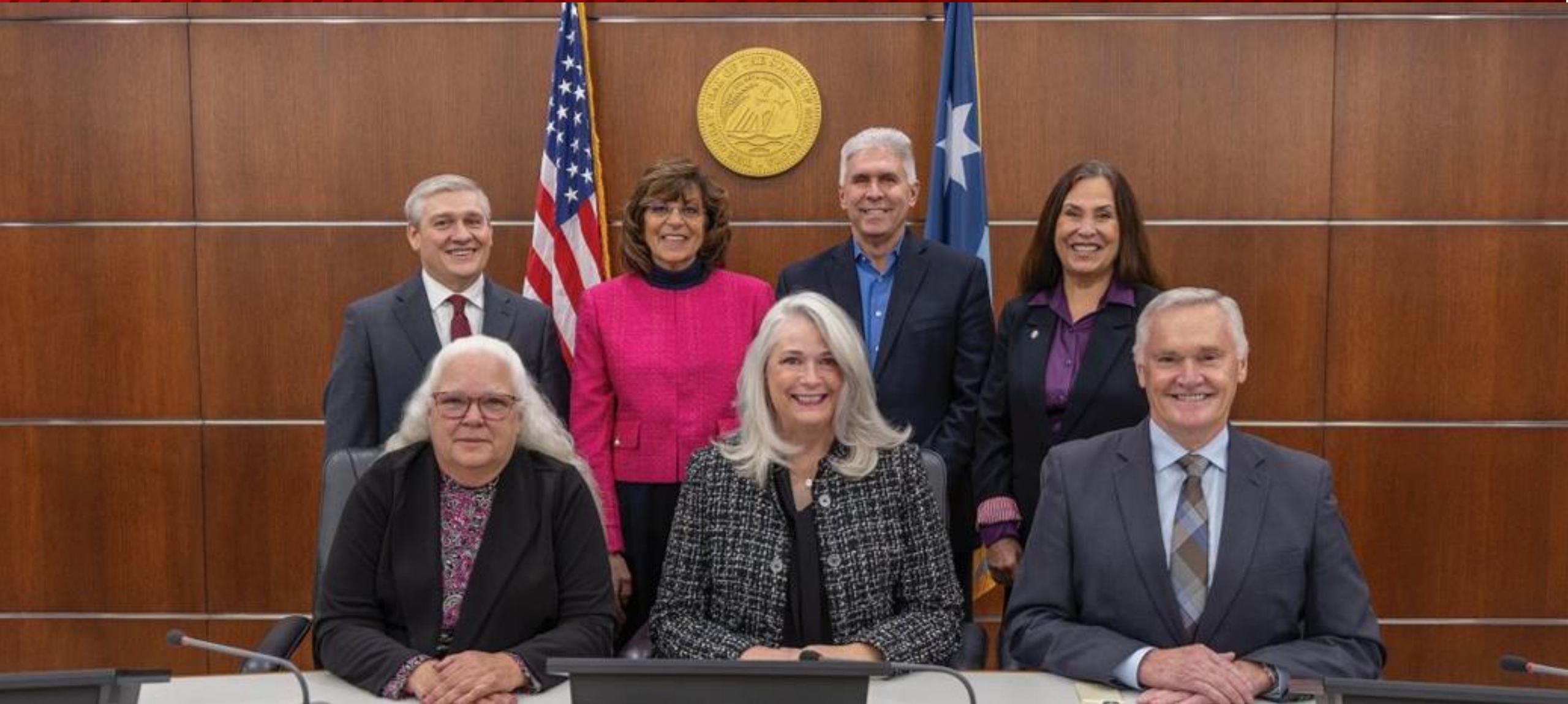
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Board of Commissioners

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Dakota
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Chambers of Commerce

2026 State of the County



Dakota County 2026 Highlights

Budgeting in the 'Perfect Storm'

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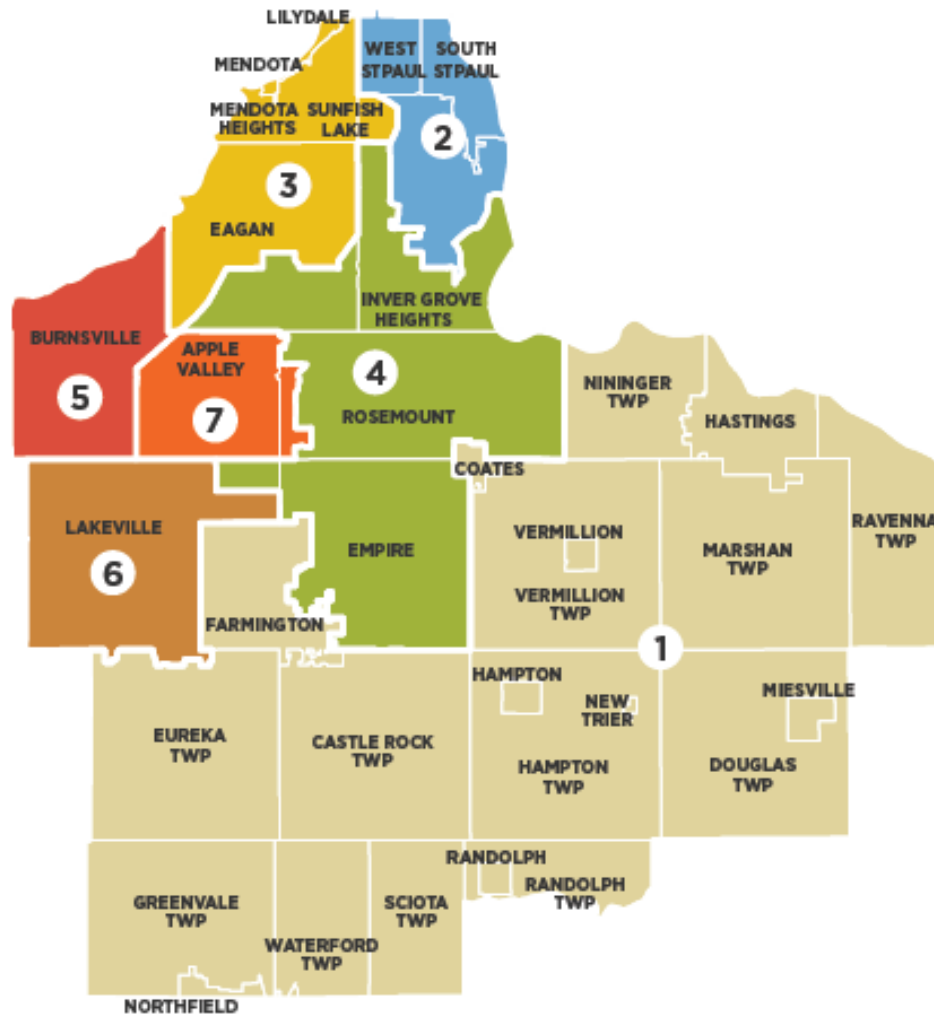


2027 Budget Snapshot

Heidi Welsch
County Manager

Dakota County By the Numbers

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Population

- 458,000
- 8% of Minnesotans live in Dakota County

Land Area

- 587 square miles

County Government

- 2,200 employees
- 2026 total budget: \$527,700,000

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What Counties Provide to the Community

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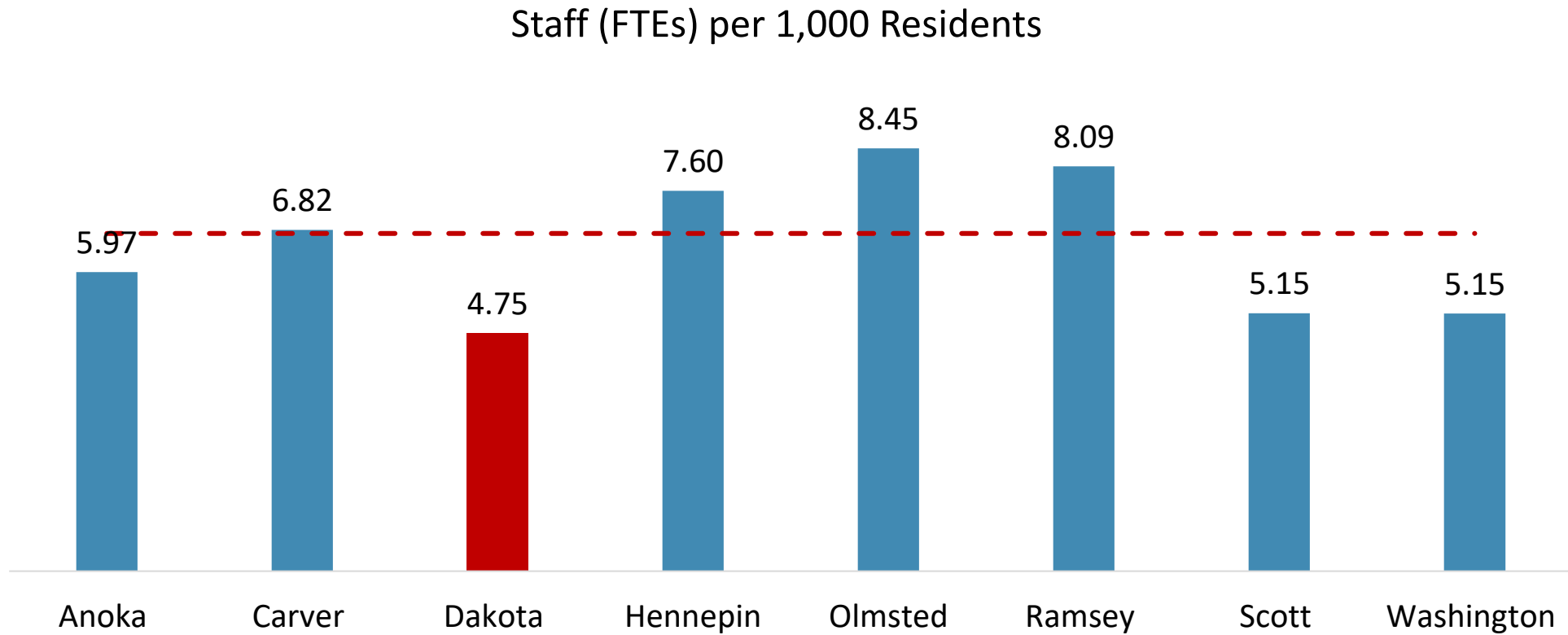
- Elections
- Property records
- Vital statistics
- Licensing / passports
- Libraries
- Public Health
- Community Corrections / Probation
- Child protection & truancy
- Mental health services
- Aging and disability services
- Housing / homeless prevention
- Poverty and low-income assistance (food, cash, child care, health care)
- Child support
- Indigent burials
- Veterans services
- Transportation
- Parks and greenways
- Waste regulation and monitoring
- Ground water protection
- Sheriff patrol and law enforcement
- County jail
- County attorney
- Emergency management
- Medical examiner services

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Dakota County is efficient with tax dollars.

Lowest staffing levels

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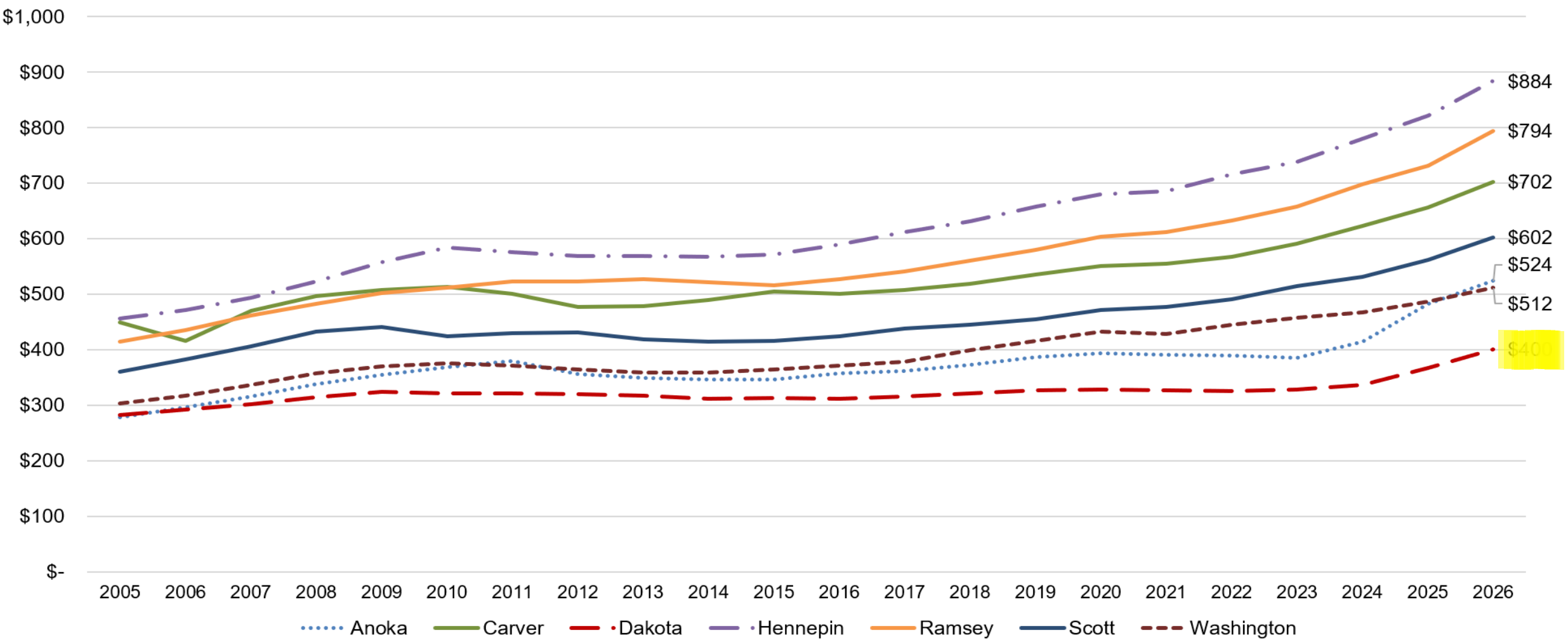
Population Source: U.S. Census Bureau
FTE Source: peer county budget reports

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Lowest Levy Per Capita

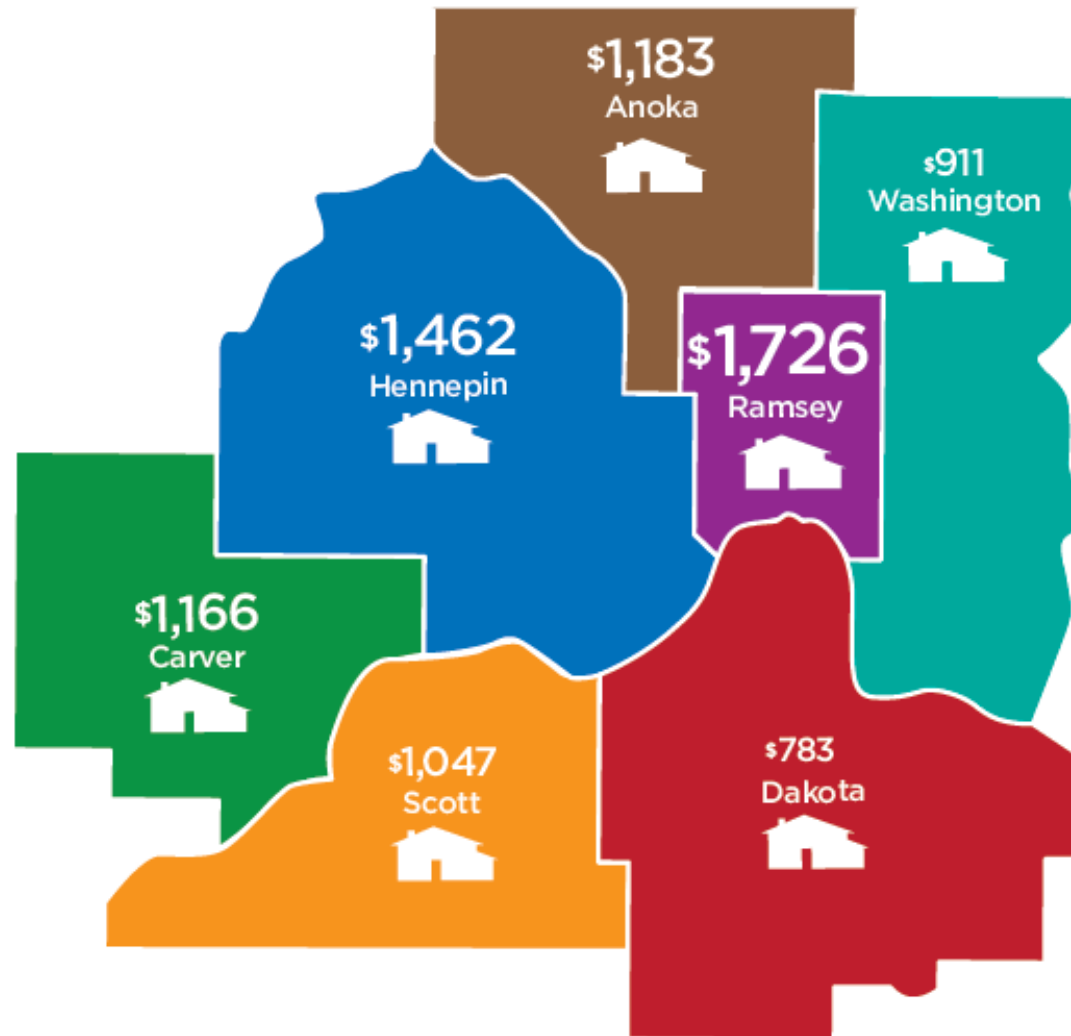


County Levy Per Capita 2005 - 2026



Lowest Levy Per Property

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2026 County Property Tax on a median value (\$384K) home.

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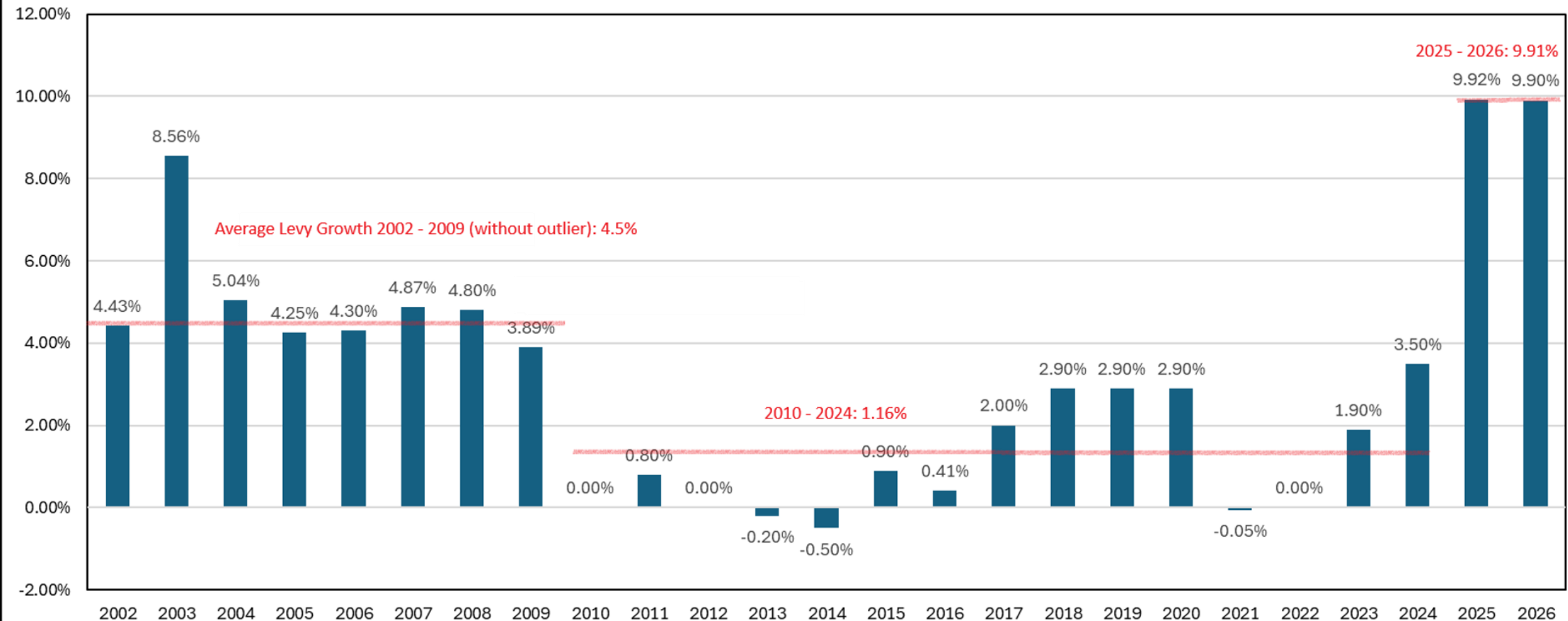
Dakota County levy has not kept pace
with spending, causing a structural deficit.

Levy Increase History

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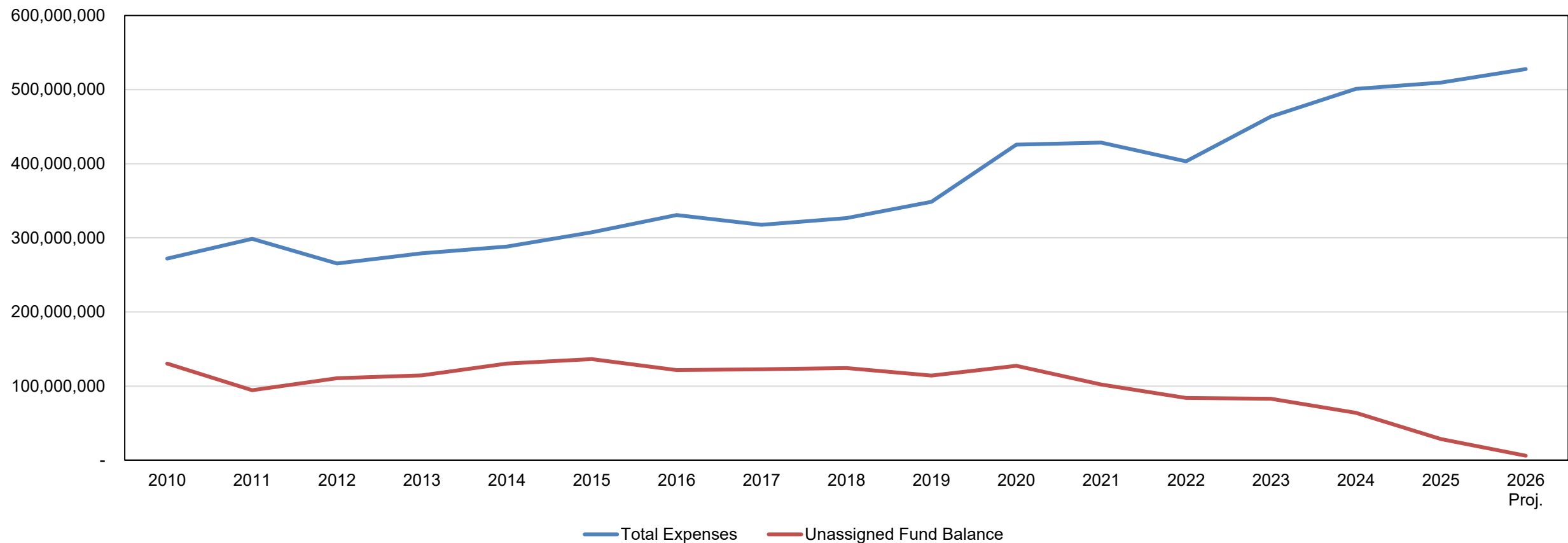
Annual Levy Increase (%)
2002 - present



Spending and Reserves History



Total Expenses vs. Unassigned Fund Balance
2010 - 2025



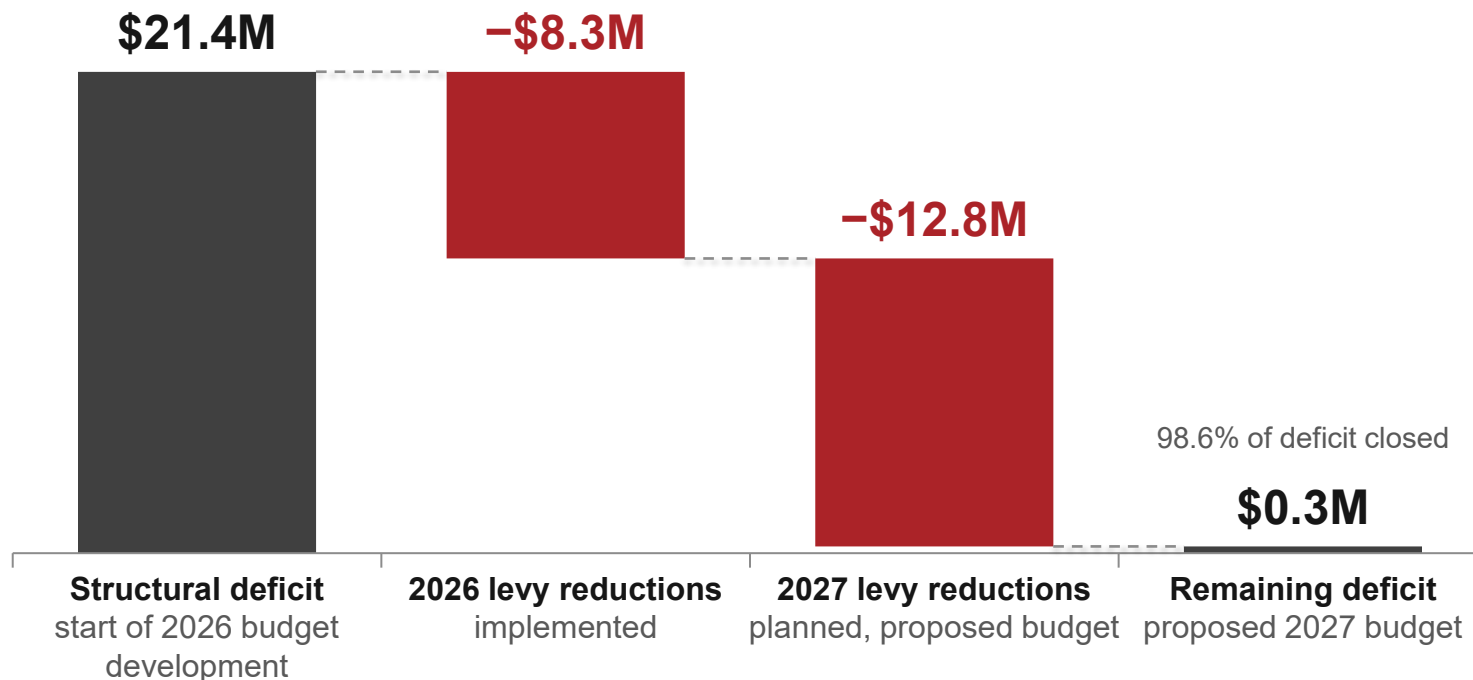
Spending reductions are correcting the structural deficit.

Closing the Structural Deficit

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Levy reductions in 2026 and 2027 will close **\$21.1M** of the \$21.4M structural operating deficit



Levy reductions

\$8.3M 2026, implemented
5.0% of the 2025 levy

\$12.8M 2027, planned
6.9% of the 2026 levy

\$21.1M Total
12.6% of the 2025 levy

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2027 Spending Reductions

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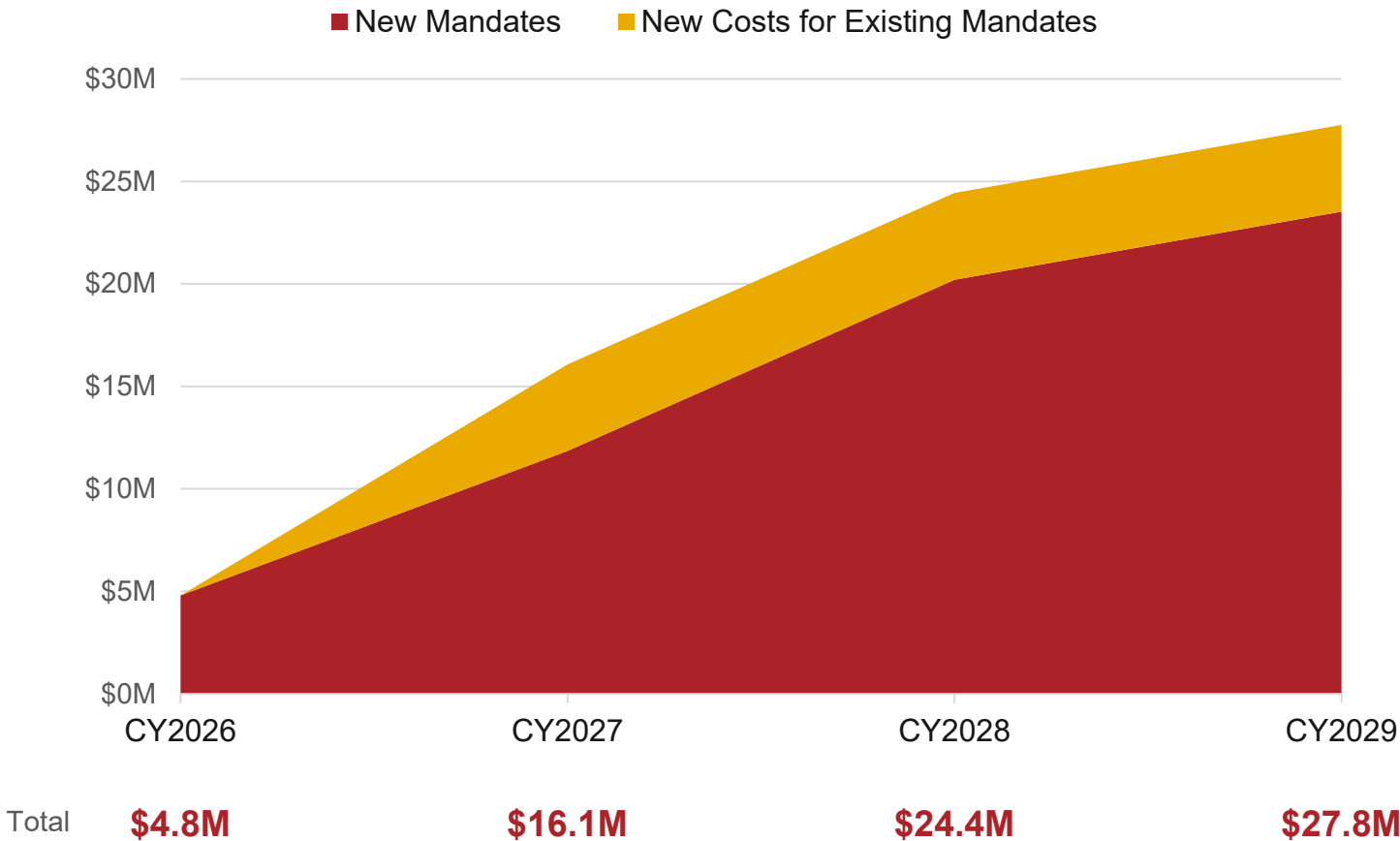
Departments	Positions (FTEs)	Levy Savings
Social Services	18.5	\$3.74 million
Parks	1.1	\$1.89 million
Library	8	\$1.27 million
Community Corrections	7	\$1.02 million
Public Health	3.5	\$860,000
Countywide	16.5	\$4.09 million
Total	54.6	\$12.87 million

State and federal mandates and
cost shifts are increasing.

New and Existing Mandates



State and federal mandates add **\$27.8M** in cumulative county costs to the annual budget by 2029.



● **\$23.5M** in new mandates

- Long-Term Services and Supports (LTSS)
- SNAP administrative costs
- SNAP benefit costs
- Medical Assistance (MA) renewals
- Medical Assistance (MA) benefit cost share
- African American Family Preservation and Child Welfare Act
- Minnesota Paid Leave

● **\$4.2M** in new costs for existing mandates

- Direct Care and Treatment
- Grant funding reduction
- Court-appointed counsel
- Guardian and conservator compensation
- Out-of-home placement

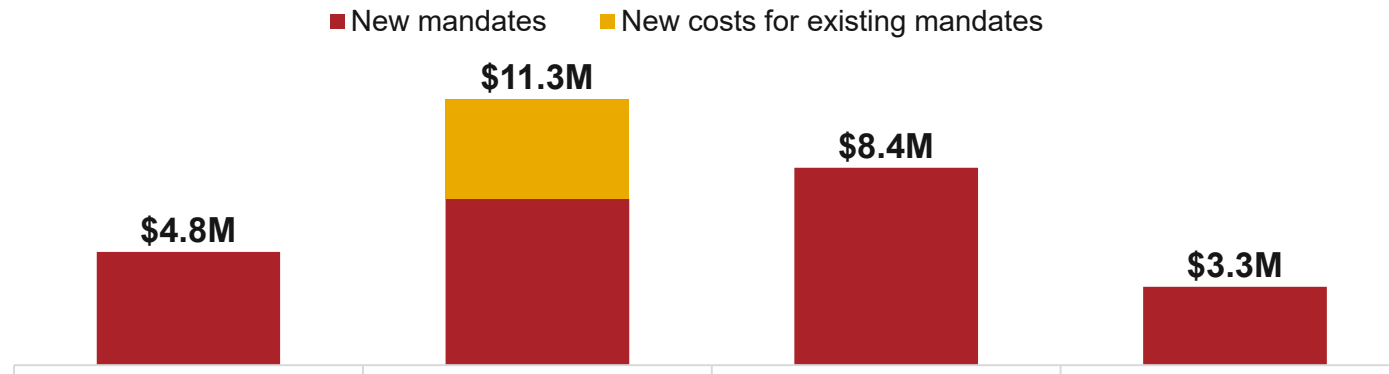
Mandates and the Property Tax Levy

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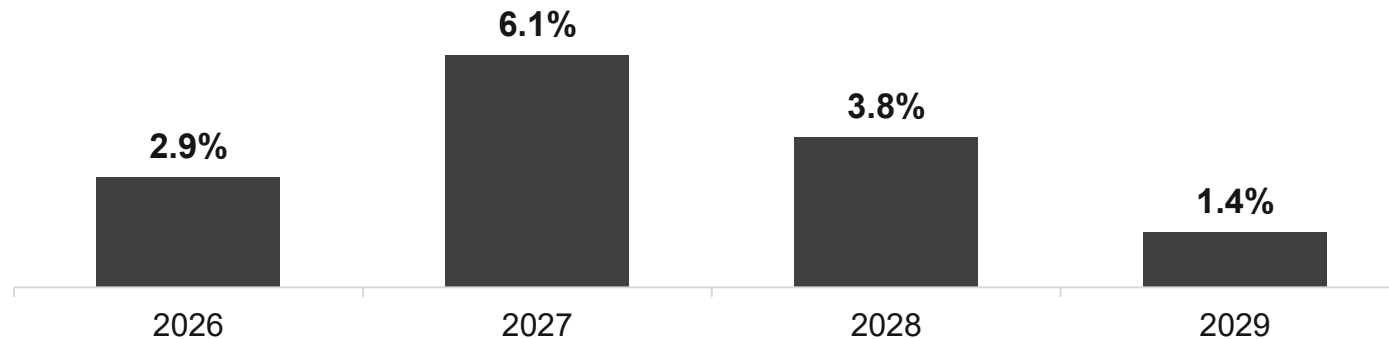


Levy increases rise and fall with new mandated costs.

Annual increase in mandated costs



Property tax levy increase for new mandated costs



6.1%

2027 levy increase for new mandated costs, the same year new mandated costs are projected to peak at \$11.3M

\$27.8M

in cumulative mandated cost increases from 2026 through 2029

1.4%

2029 levy increase for new mandated costs, as new mandated costs slow to \$3.3M

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2027 County Budget

What's Included in this Levy Increase

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Category	Increase (\$)	Increase (%)
Operational inflation • Personnel costs • Contractual increases	\$17,919,115	9.72%
Structural deficit elimination and changes to budgeting methodology • Eliminating vacancy savings assumption • Operating deficit elimination • ARPA-funded programs	\$14,956,647	8.12%
State and federal cost shifts and new mandates	\$11,278,236	6.12%
Expenditure reductions	(\$12,832,167)	(6.96%)
Reserve replenishment	\$2,763,691	1.50%
Total increase	\$34,085,522	18.50%

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Adopted 2027 Max Levy

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2026 Adopted Levy
\$184,246,066

+

Adopted Maximum Levy
Change

+18.50%

+\$34,085,522 from 2026

=

2027 Adopted Maximum Levy
\$218,331,588

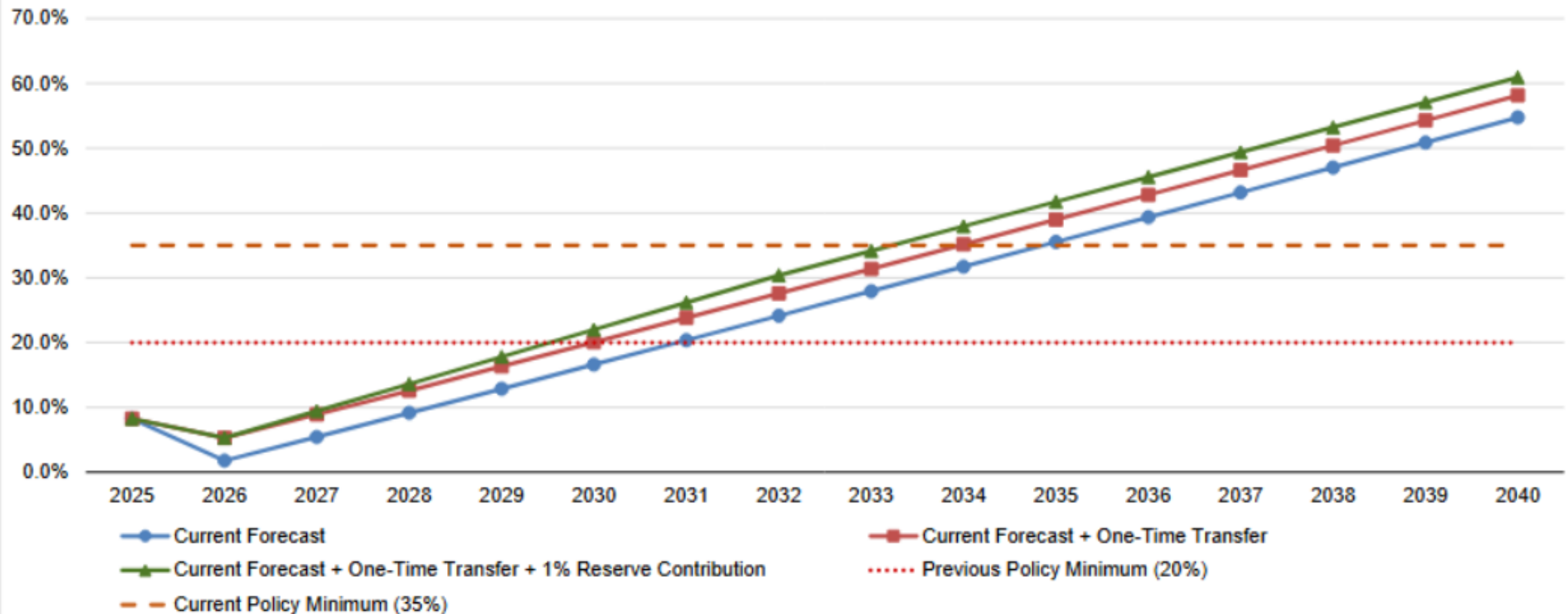
Rebuilding Reserves

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General Fund Forecast

Unassigned fund balance as a percentage of expenditures
2025 – 2040



Levy Impacts

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Estimated county tax impact of the recommended 18.50% maximum levy increase

Property Type	2027 Est. Market Value	2027 Market Value Increase	2026 County Tax	2027 Est. County Tax	County Tax Change	% Change
Median residential home	\$392,100	2.00%	\$783.31	\$925.71	\$142.40	18.18%
Agriculture per acre	\$10,983	6.40%	\$10.85	\$13.34	\$2.49	22.95%
Mid-size commercial preferred	\$1,000,000	4.10%	\$2,507.45	\$2,999.47	\$492.02	19.62%
Mid-size apartment	\$1,000,000	0.00%	\$2,628.84	\$3,038.40	\$409.56	15.58%

+\$142.40 / year

County tax increase for the median home (\$392,100)

≈ +\$12 / month

Monthly equivalent for the median home

Budget and Property Tax Open House

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- Tuesday, Dec. 1, 5–6 p.m.
Administration Center, 1590 Hwy. 55, Hastings



Partnerships

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Business Support

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Housing Set-Aside

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Transportation Investments

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Recycling Zone Plus

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Great Quality of Life

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Improving Accessibility

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Library Resources

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Popular Parks

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Valued Volunteers

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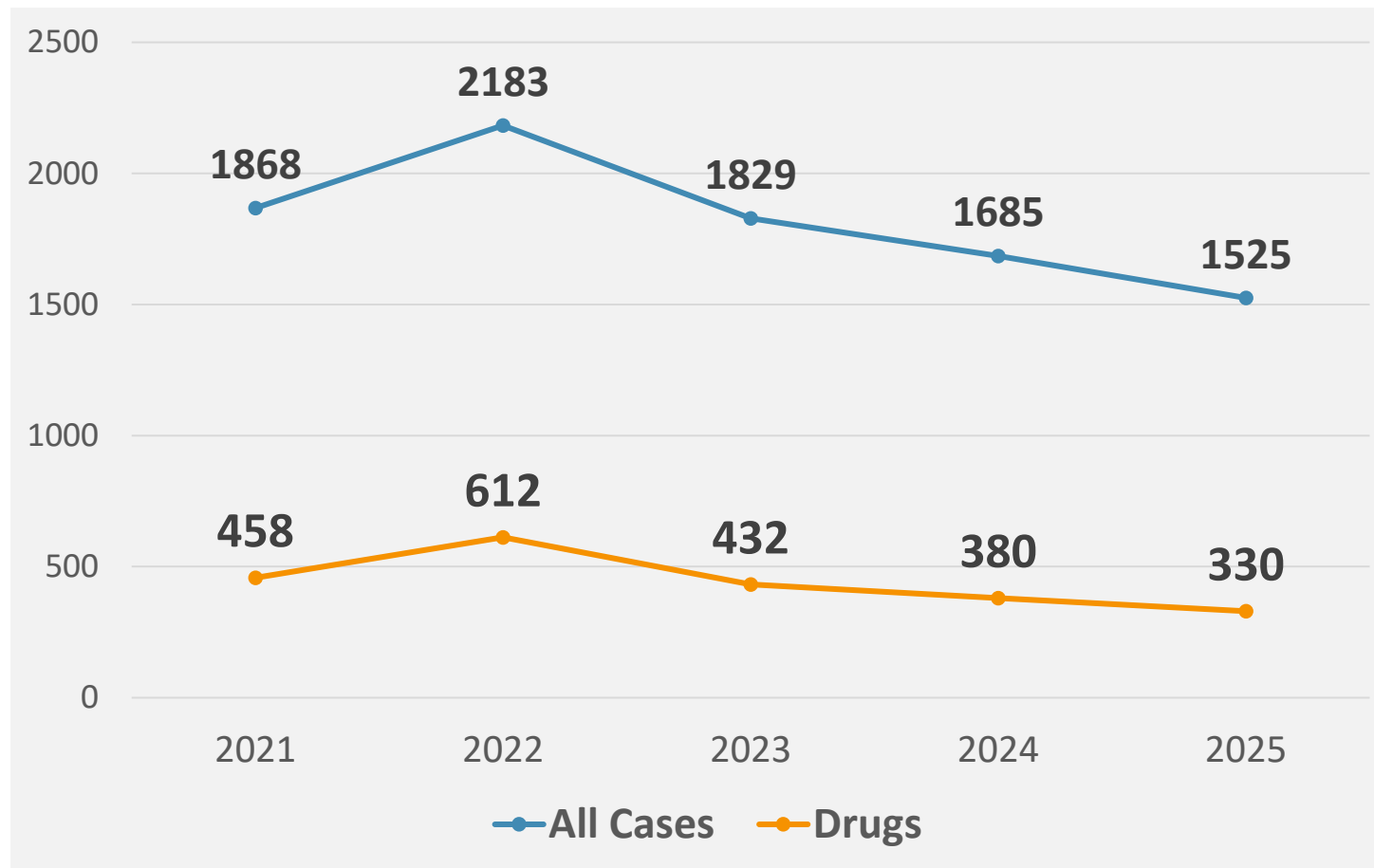
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Public Safety Update

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Adult Cases Charged with a Felony 2021–2025



Public Safety Update

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DAKOTA COUNTY SHERIFF

PROFESSIONAL. PROGRESSIVE. PROACTIVE.



Q & A



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Thank you for joining us.



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