



MARCH 4, 2026

2026

# County Fiscal Health

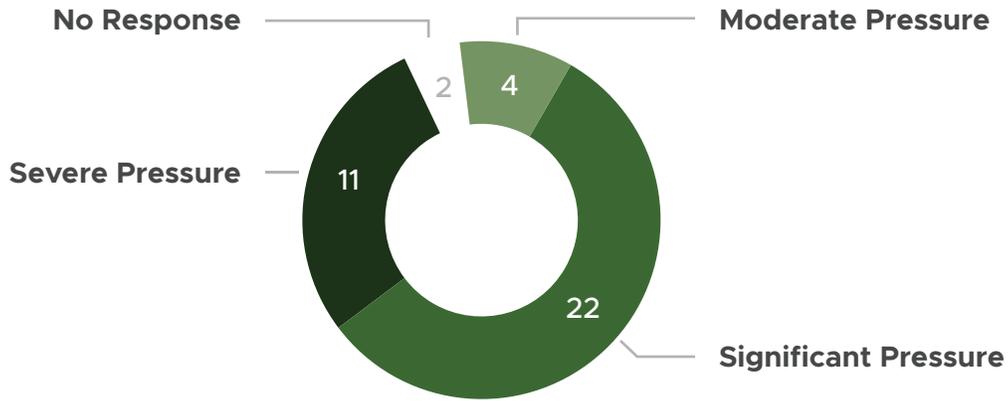


**SURVEY RESULTS**

# 1. Overall Budget Pressure

The level of financial pressure on General Funds within counties.

37/39 RESPONSES

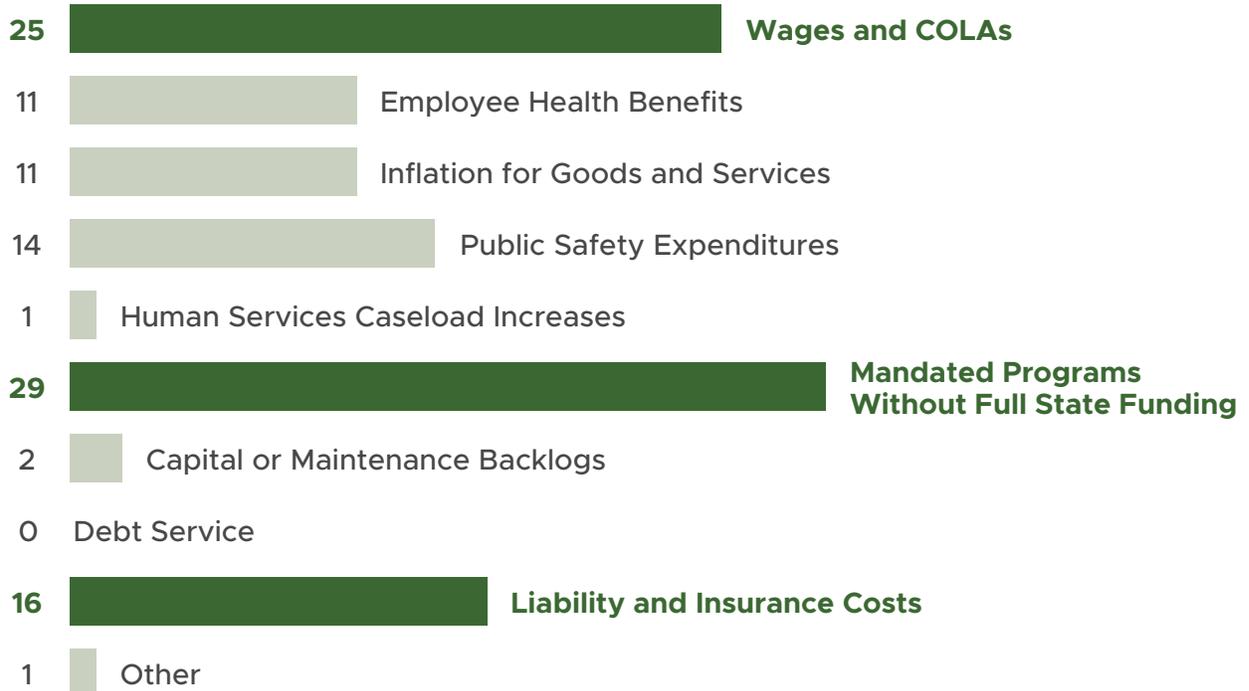


# 2. Primary Cost Drivers

The contributors to General Fund pressure within counties.

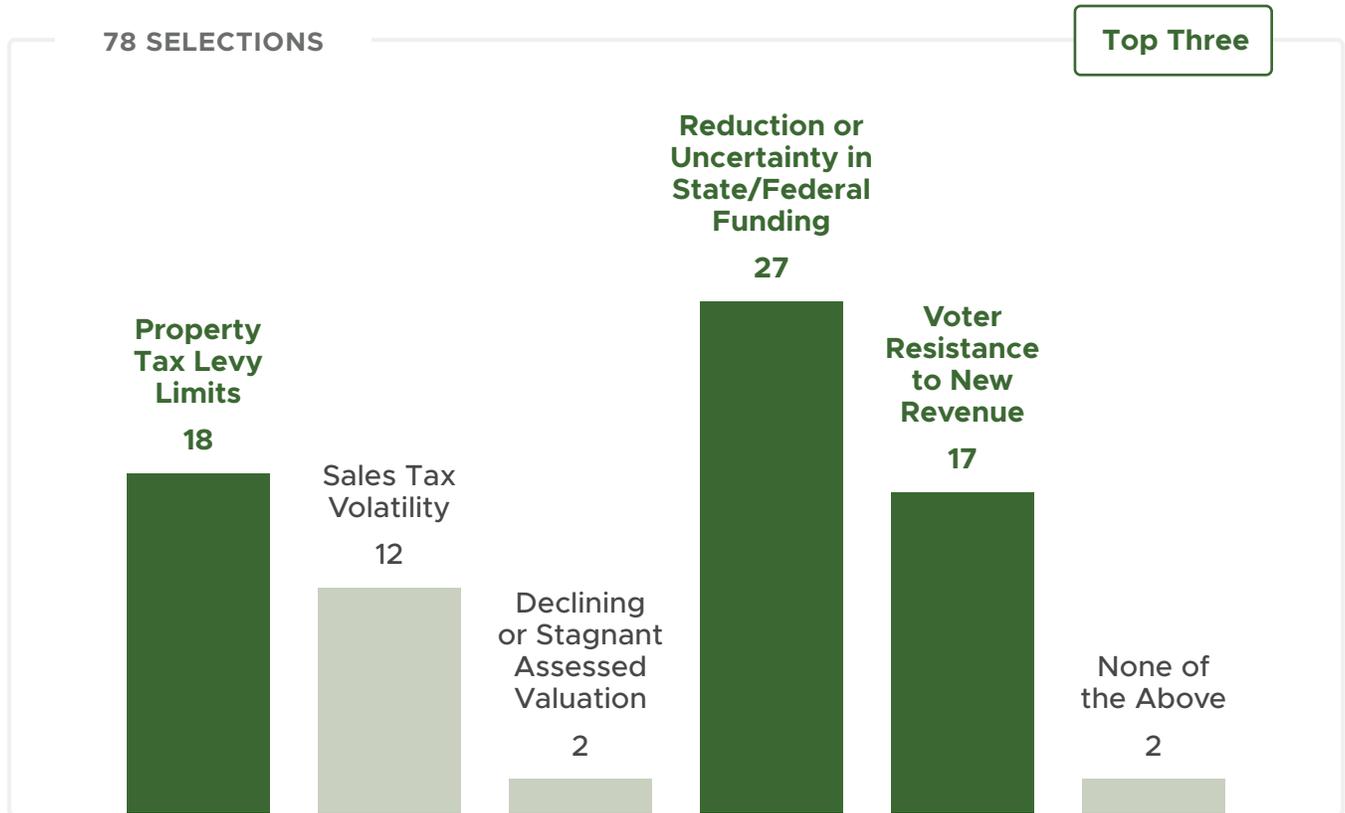
110 SELECTIONS

Top Three



### 3. Revenue Constraints

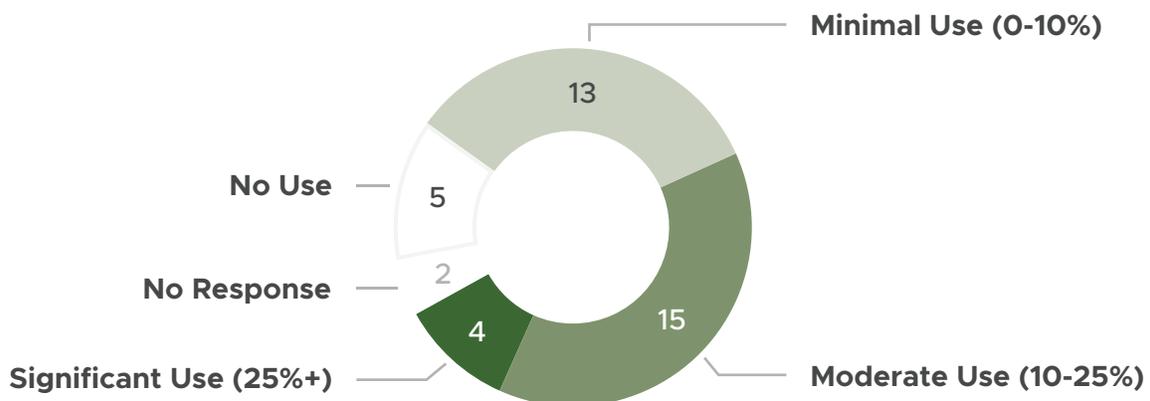
The revenue-related challenges that most affected General Funds in counties.



### 4. Use of Reserves

The overall usage of General Fund reserves or fund balance to balance the 2026 budget throughout counties.

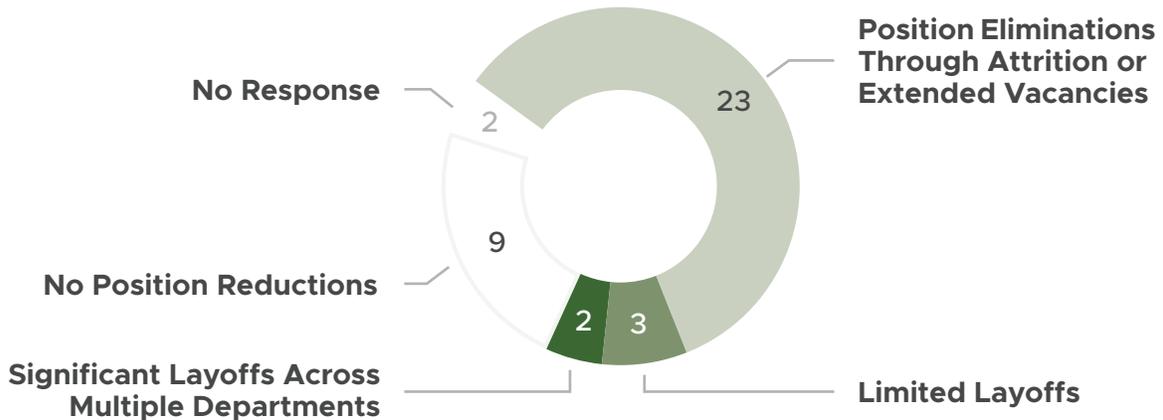
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## 5. Position Reductions of Layoffs

The amount of reduced funded positions or implemented layoffs to balance the 2026 General Fund within each county.

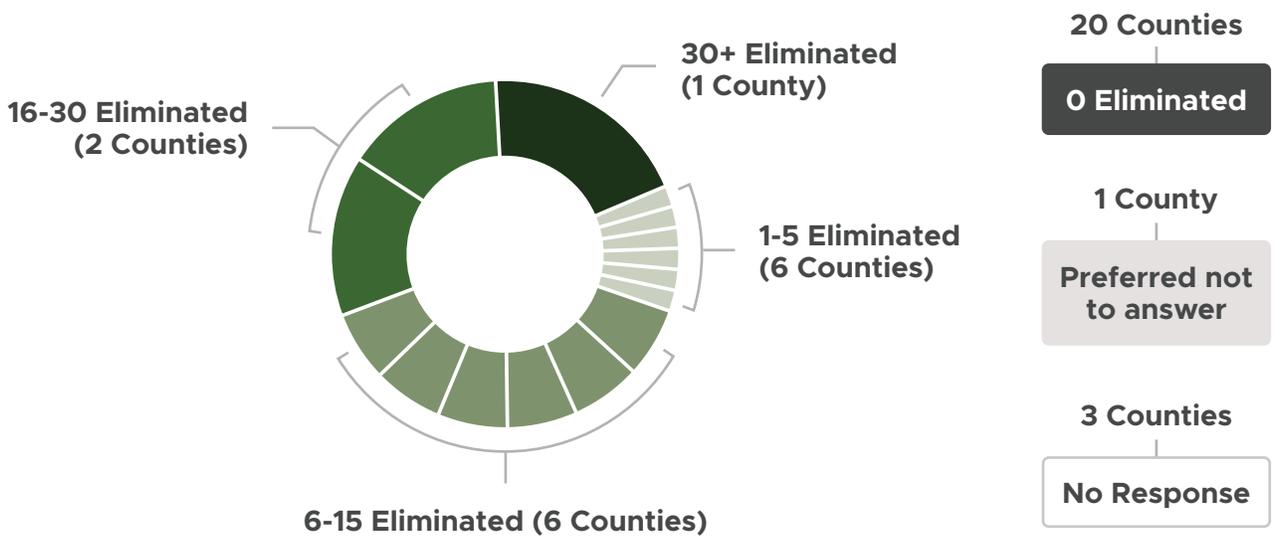
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## 6. Number of Layoffs Implemented

The amount of positions eliminated through layoffs (not attrition or vacancies) throughout counties.

36/39 RESPONSES



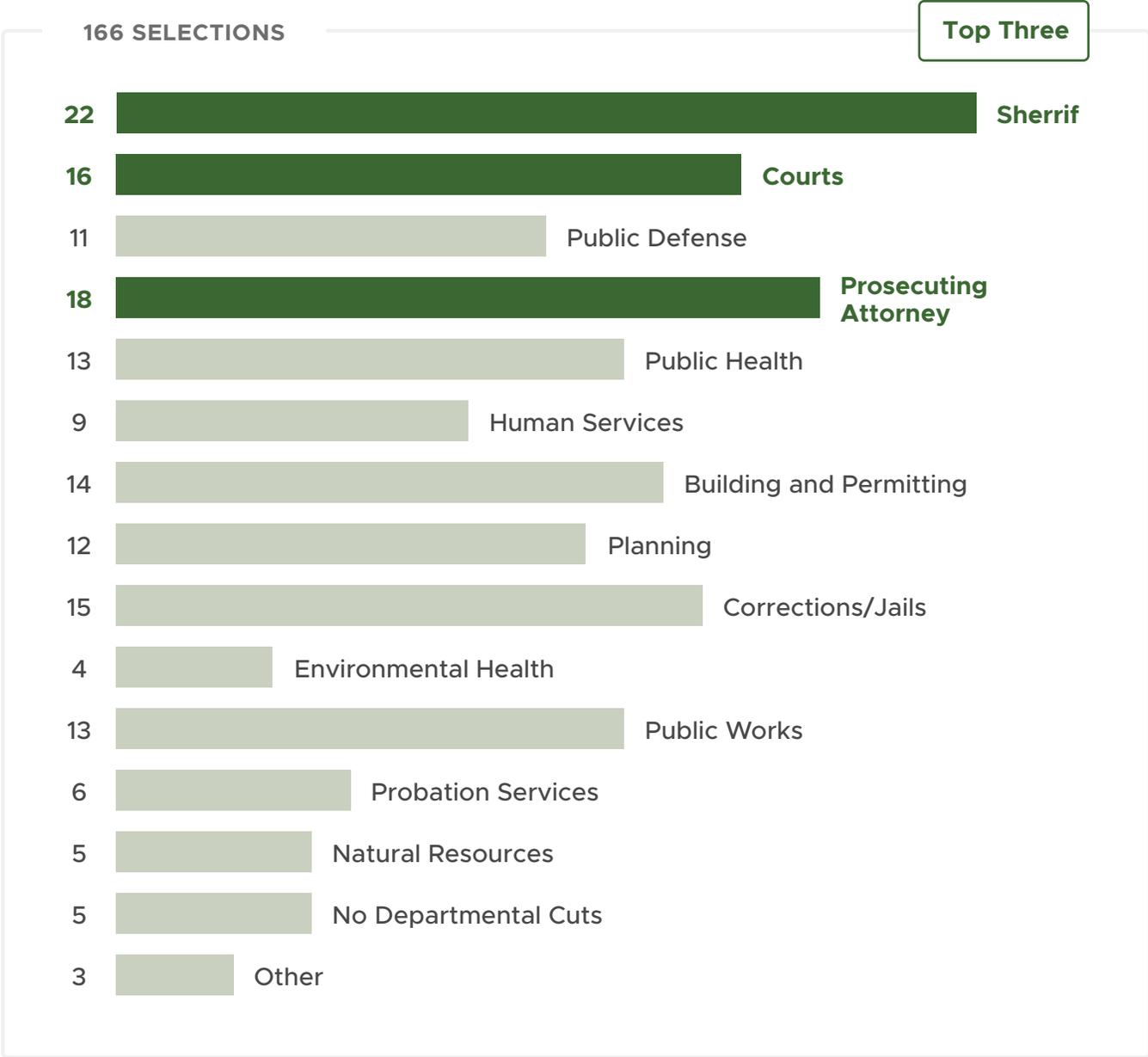
## 7. Expenditure Reduction Strategies

The expenditure strategies used to balance the 2026 General Fund.



# 8. Departments Impacted by Budget Cuts

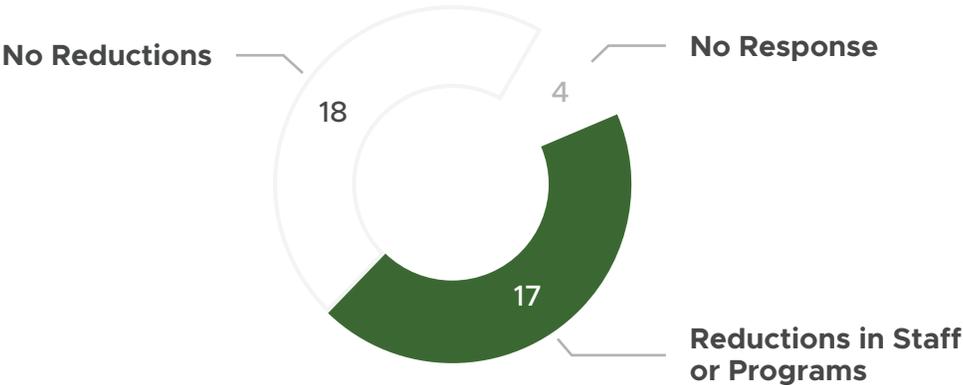
The departments with General Fund budget cuts for 2026 throughout counties.



# 9. Federal Funding Reductions

The number of counties facing reductions in staff or programs resulting from federal funding cuts.

35/39 RESPONSES



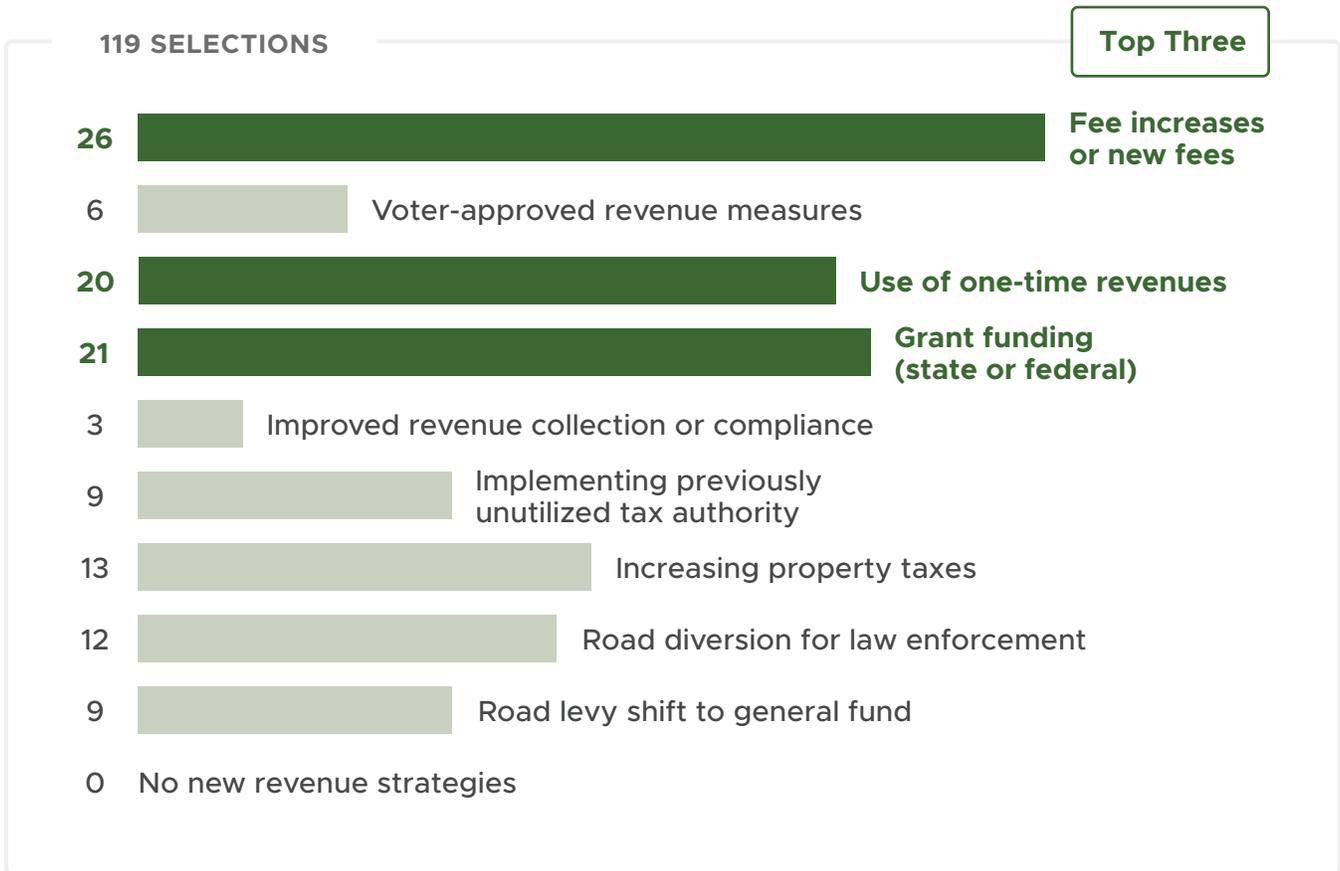
## Impacted Departments or Services:

- Homeland Security
- Housing/Homeless Programs
- Public Works
- Public Health
- Human Services
- Grant Processing
- FEMA Funding
- Jail Programs for Substance Abuse and Mental Health
- Emergency Management
- SAR
- Drug Task Forces

A reduction in federal funds resulted in a reduction in available state grant funding and had a negative impact on projects like water systems upgrades in receivership.

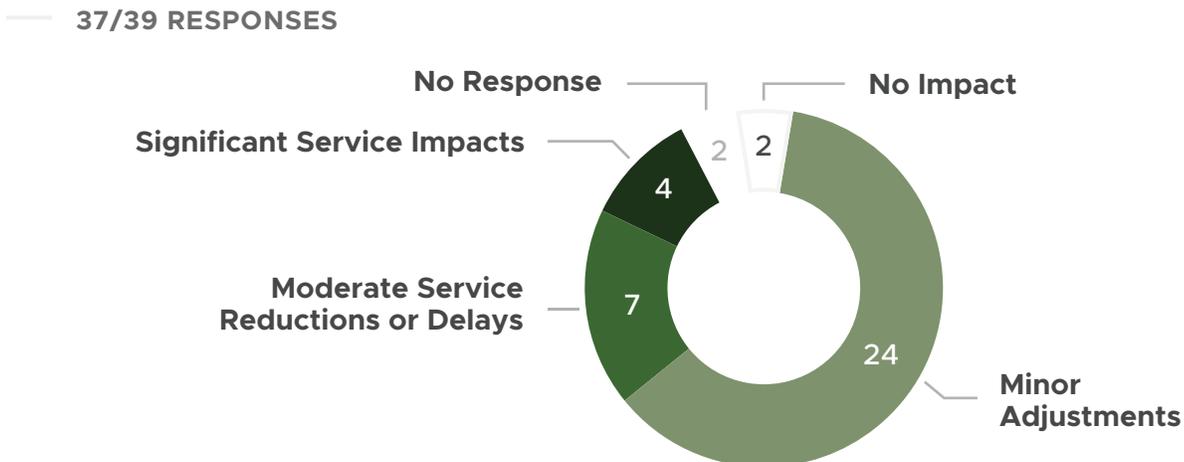
## 10. Revenue Enhancement Strategies

The revenue strategies that counties are pursuing for 2026.



## 11. Public Safety Impacts

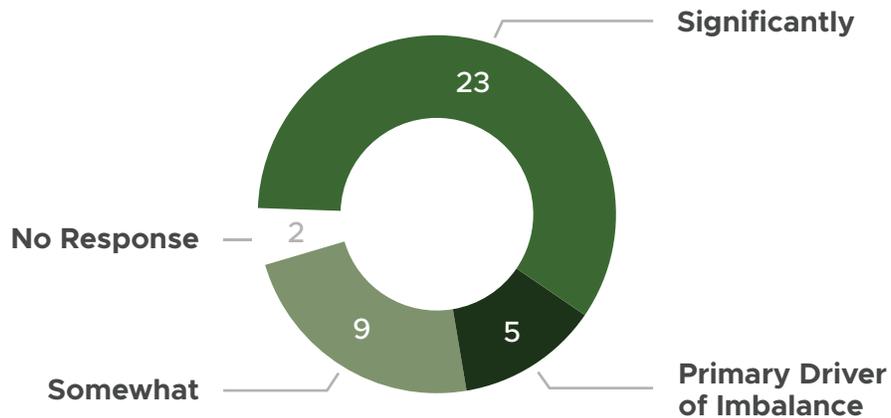
The impact of General Fund constraints on public safety services (law enforcement, courts, corrections).



## 12. State Mandates

The extent of state mandates or statutory requirements contributing to 2026 budget challenges.

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## 13. Key Lessons & Needs

The most effective strategies counties used to balance the 2026 General Fund, and a list of additional tools or changes that would most help counties in future budget cycles.

### Strategies:

- One-time diversion from discretionary funds
- Use of reserve funds
- Hiring freeze
- Implemented new taxes with existing authority
- Using one-time funds for one-time costs only
- Historic review of costs and comparing them to baselines
- Eliminating external fund subsidies
- Delaying COLA decisions in labor agreements
- Restructuring employee health benefits
- Keeping a large reserve
- Use of LTCF funds
- Layoffs
- Budget cuts
- Utilized banked property tax capacity
- Road levy shift
- Reducing hours for some staff
- 5% across the board reductions
- Conservative budgeting over the past years
- New staff requests must be budget neutral
- Implemented hiring freezes early
- Started a reserve fund and invested to reach our goal; we used reserve funds to balance Public Works's budget
- Cutting requests from public safety and road maintenance;

## 13. Key Lessons & Needs (Continued)

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### Tools and Changes:

- Tort reform
- Indigent defense funding
- Greater share of local taxes
- Public records act reforms to address harassing requests
- Jail medical services and liability reform,
- No more unfunded mandates
- Maintain FPHS funding
- Help with JR facility costs
- Relieving the 1% annual growth limit on property taxes
- More revenue authority
- Fund mandatory requirements
- Fiscal flexibility

## 14. Most Difficult Budget Cut

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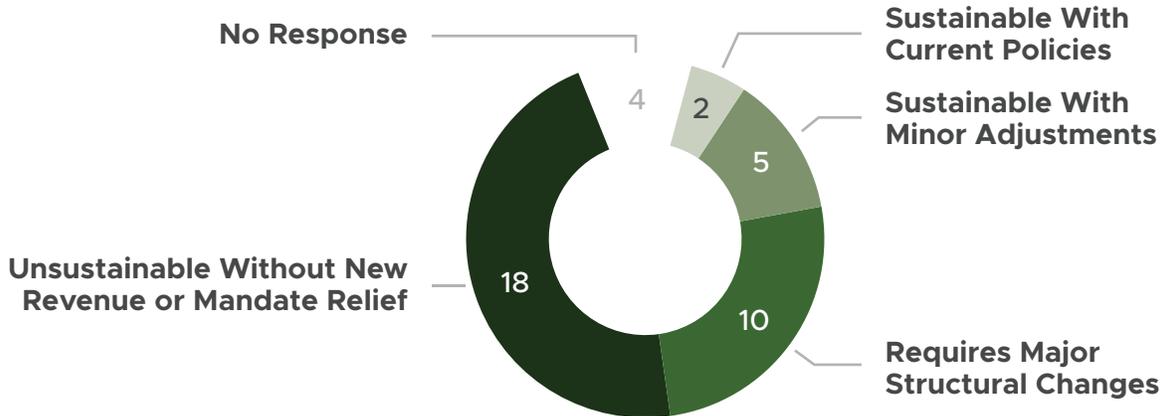
The most difficult expenditure reductions or budget cuts counties felt forced to make in the 2026 General Fund, and why.

- **Reduced jail staff:** Can't re-open the jail without more staff
- **DPA's:** Staff cuts reduce services to residents
- **FTE cuts:** Relying heavily on less staff increases burnout and turnover
- **Deferring maintenance and construction**
- **Cutting law enforcement:** LE staff reductions increases liability
- **Continue to forego hiring a county administrator:** County administrator is a key organizational and policy position
- **Laying off code compliance**
- **Mandatory percentage budget cuts on departments that don't generate revenue**
- **Diverting road funds for law enforcement:** Increasing road diversions delays maintenance and repair of key infrastructure
- **Cutting the "Meals on Wheels" program funding:** Reduction of 120,000 prepared meals per year for seniors
- **Cutting parks funding**
- **Cutting \$160k from Prosecutors and Corrections to pay for the new public defense caseload standards**
- **Cutting ER&R expenses and county road expenses**
- **Could not fund vehicles for sherrif's office**

## 15. Long-Term Financial Outlook

The sustainability of General Funds beyond 2026 in counties.

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## 16. Additional Comments & Looking Ahead

The additional challenges counties faced balancing the 2026 General Fund, and concerns for the 2027 budget year.

- Lack of buy-in/support from other Electeds made it tough
- Our operations already run lean so more cuts will be hard
- We need new revenue and relief from mandates
- Counties need more economic development directly benefiting them if we are going to be sustainable
- Tax revenues are stagnant or growing too slowly
- Concern over anti-business environment in the state
- Special interest groups have too much power to tie up projects and programs
- New facilities are needed but we cannot afford them
- Rising personnel costs, including healthcare, are unsustainable with current revenue limitations
- GMA is stifling rural development
- Public defense caseload changes will cripple us financially without support
- Liability insurance costs are unsustainable and eroding funding for other critical services
- The reductions in timber harvest revenue have been devastating financially
- The potential for a large numbers of TIF programs being implemented is troubling
- Public defender caseload requirements are incredibly expensive
- The 2027 budget year will bring challenges in funding the new requirements for the office of public defense
- Costs continue to rise faster than revenues, especially property tax
- Navigating which laws the current administration is going to ignore to cause the state to lose federal funding
- Erosion of local control and decision making
- Joint and several liability
- Prioritizing want vs. needs
- Our county is a bit isolated and lacks major economic drivers so we typically feel downturns a bit later than others so we may be looking at trouble ahead.



**WASHINGTON**  
STATE ASSOCIATION  
*of* **COUNTIES**

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