



MARCH 4, 2026

2026

County Fiscal Health

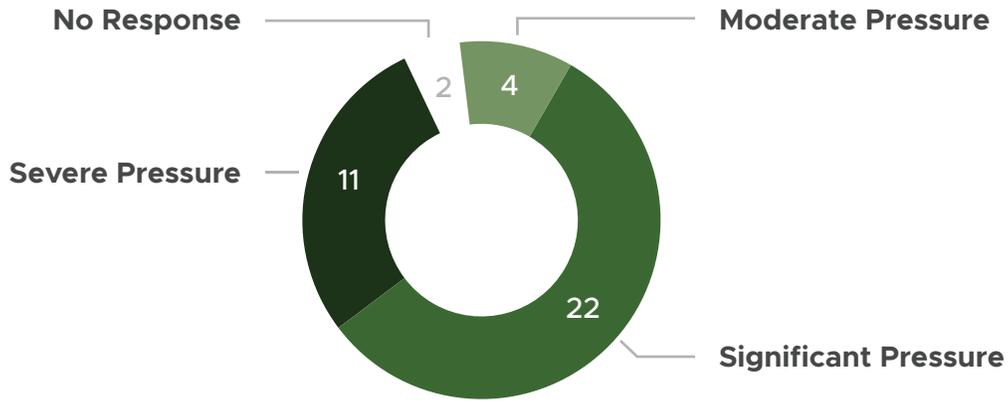


SURVEY RESULTS

1. Overall Budget Pressure

The level of financial pressure on General Funds within counties.

37/39 RESPONSES

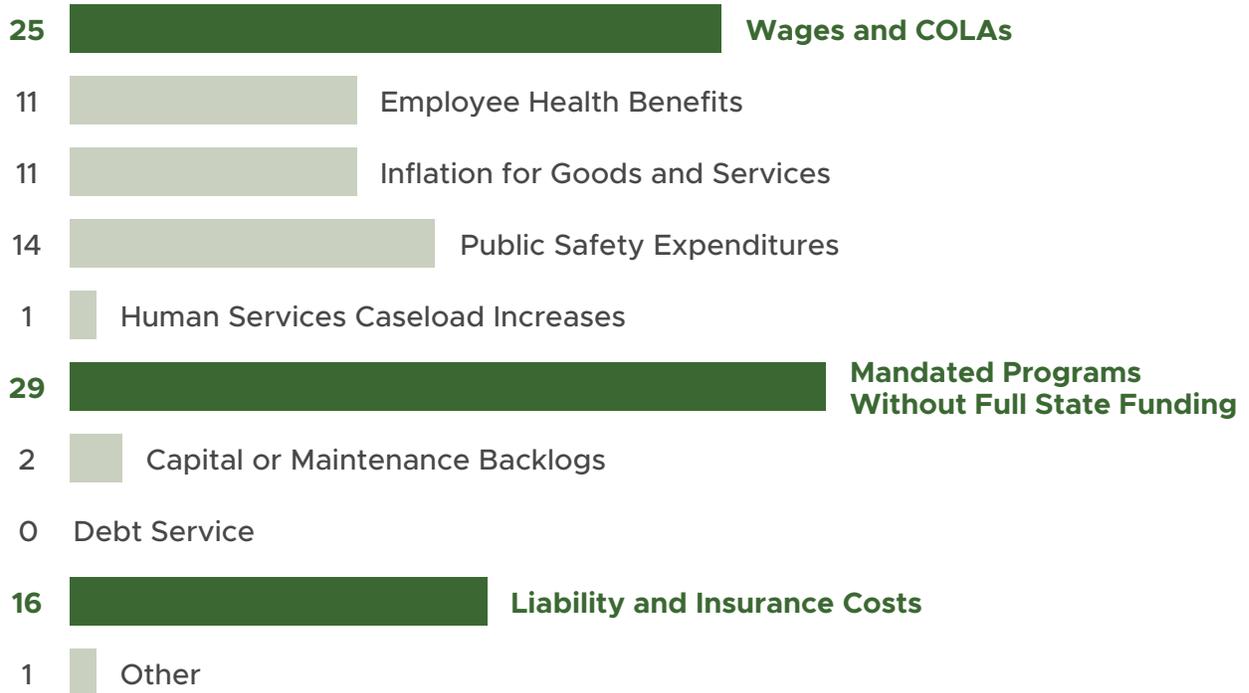


2. Primary Cost Drivers

The contributors to General Fund pressure within counties.

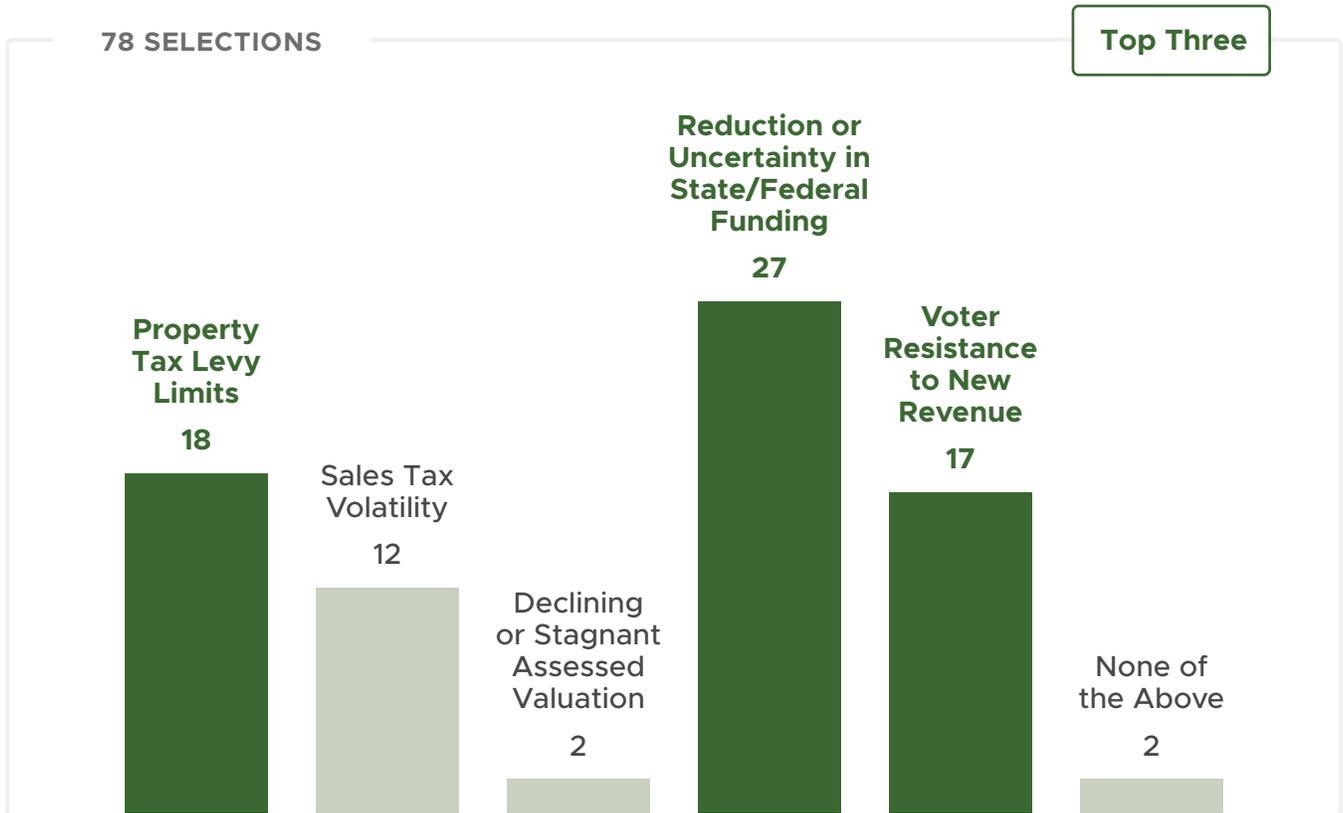
110 SELECTIONS

Top Three



3. Revenue Constraints

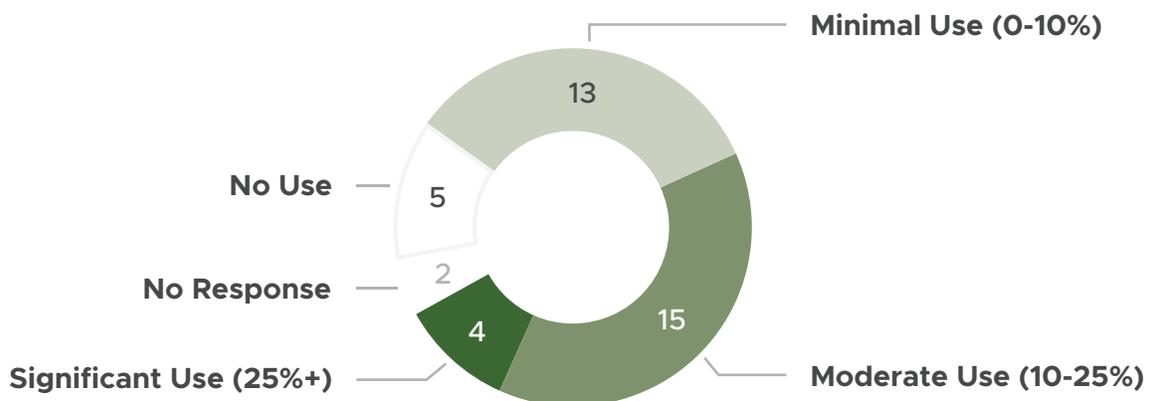
The revenue-related challenges that most affected General Funds in counties.



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.

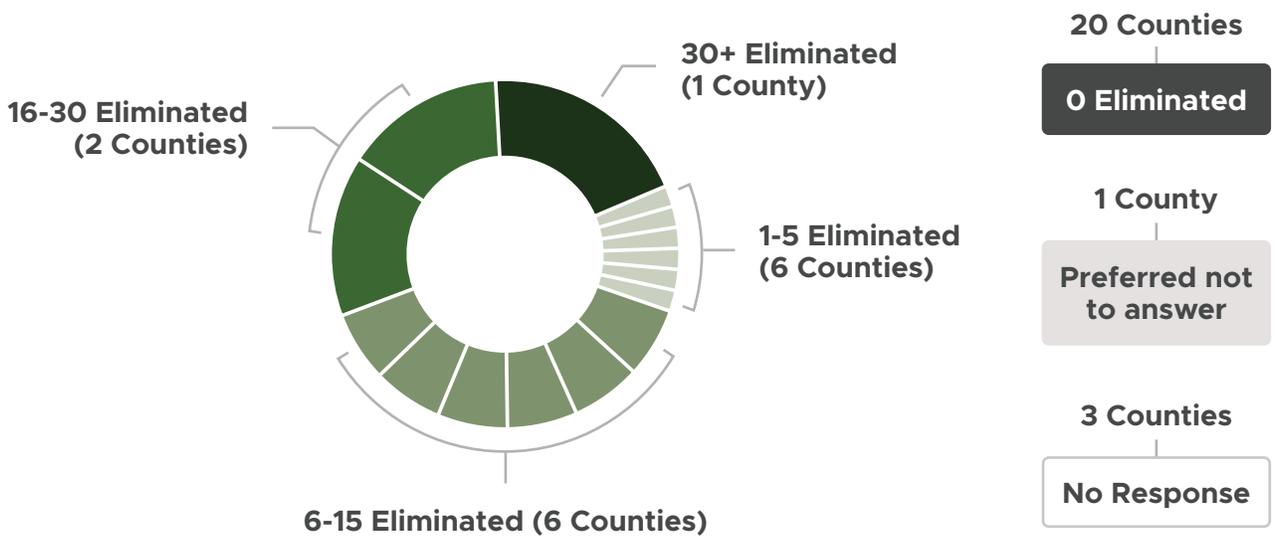
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6. Number of Layoffs Implemented

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

36/39 RESPONSES



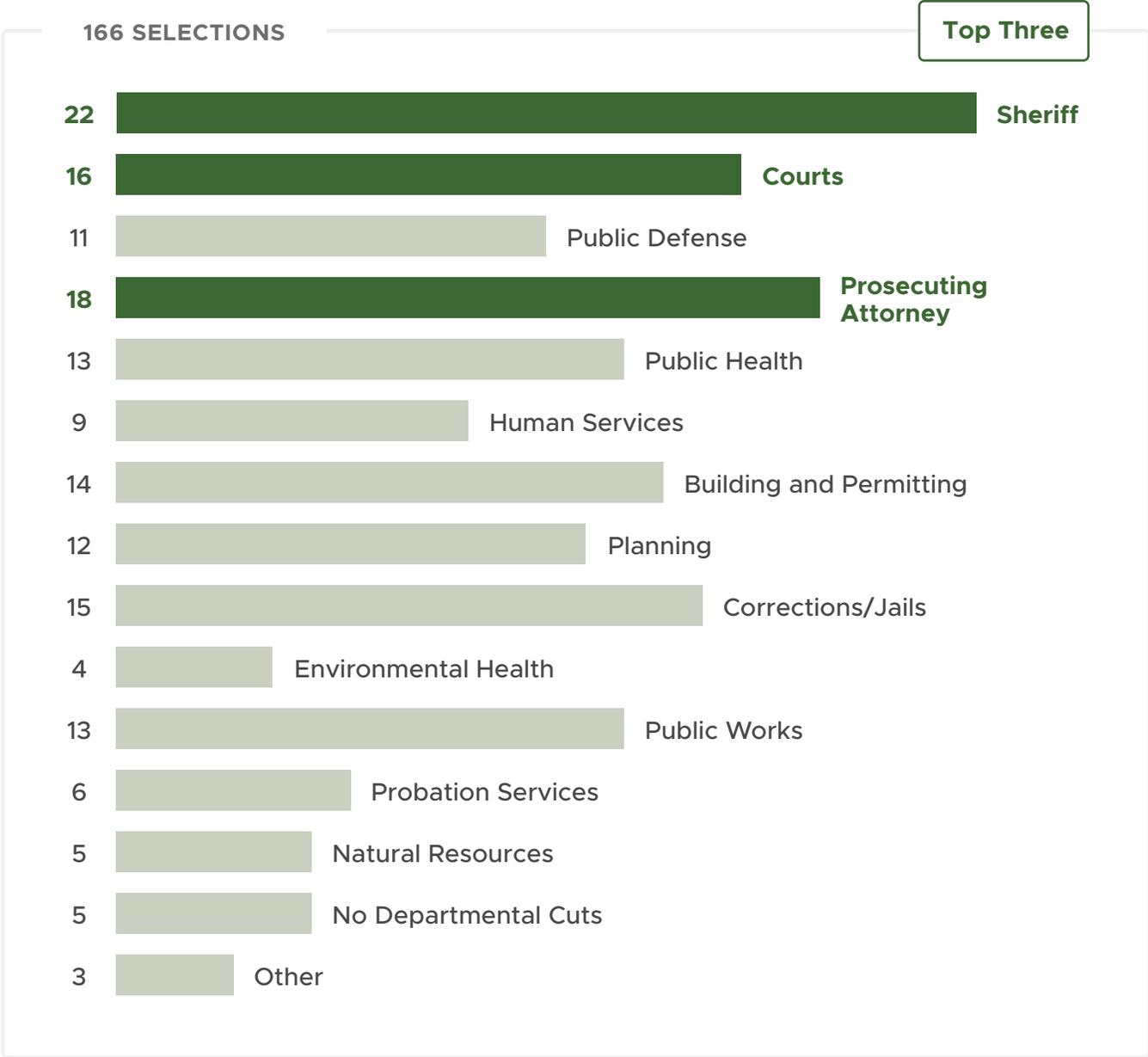
7. Expenditure Reduction Strategies

The expenditure strategies used to balance the 2026 General Fund.



8. Departments Impacted by Budget Cuts

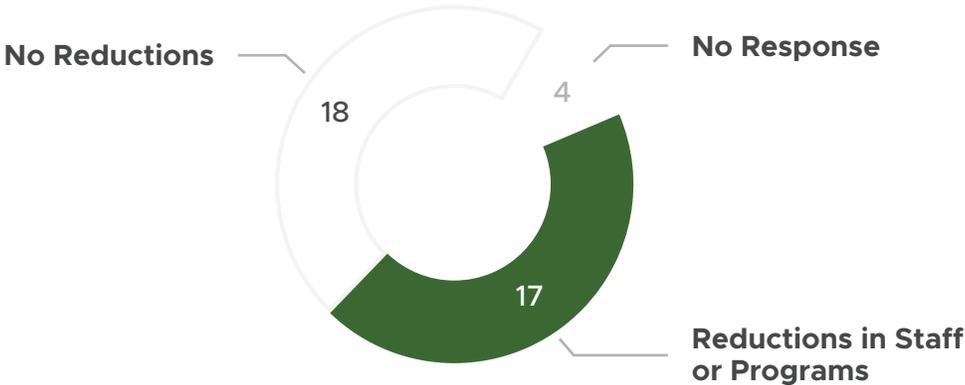
The departments with General Fund budget cuts for 2026 throughout counties.



9. Federal Funding Reductions

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

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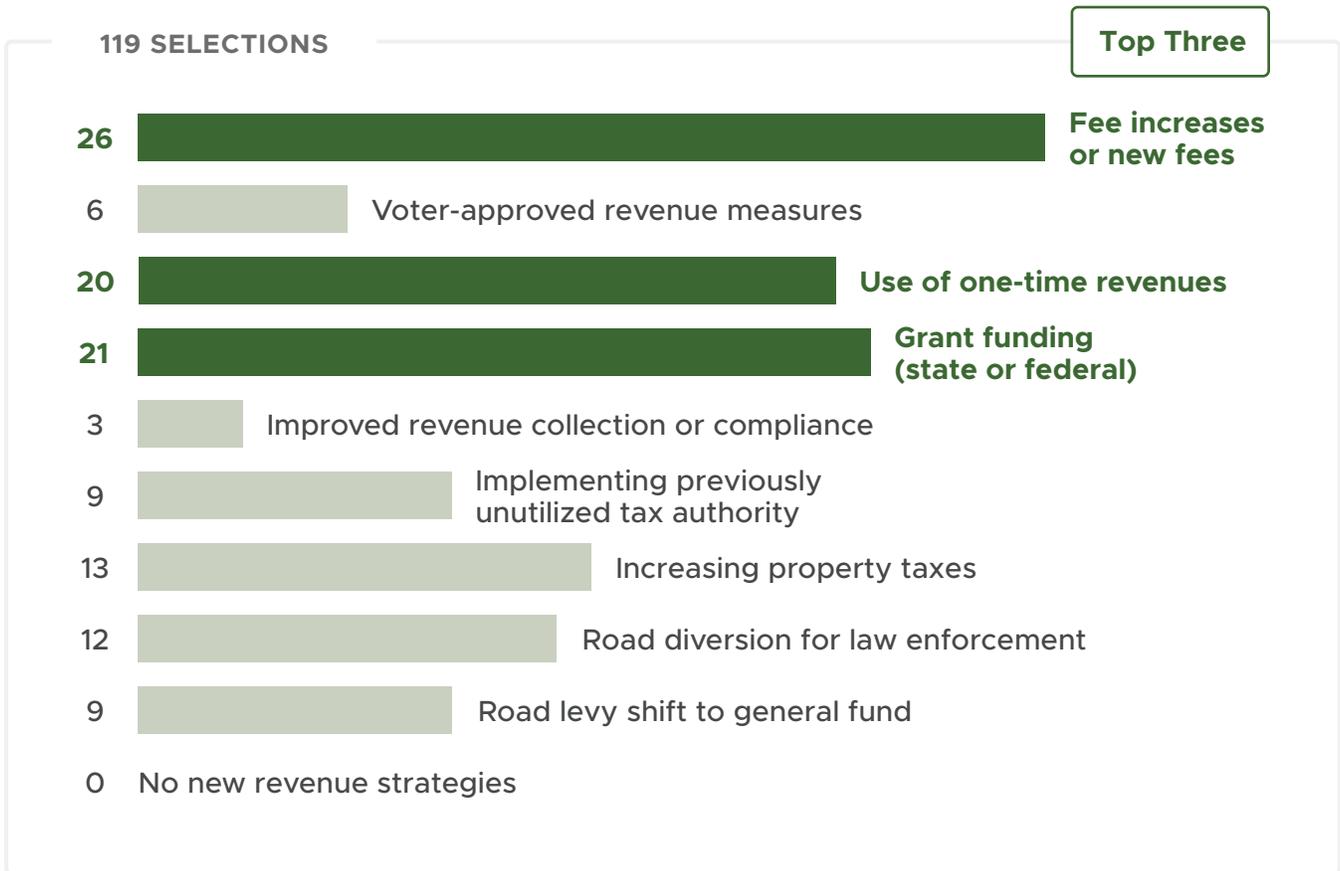
Impacted Departments or Services:

- 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.

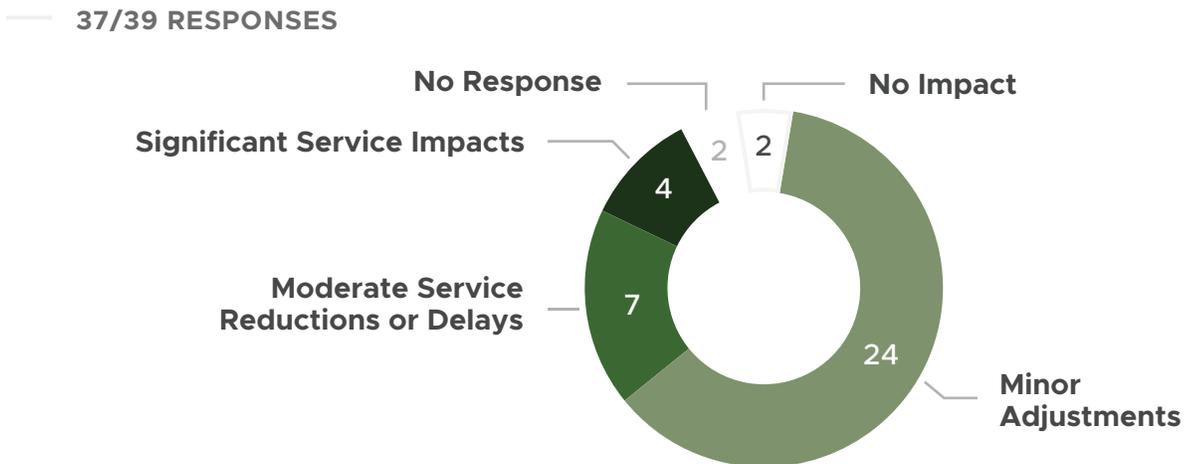
10. Revenue Enhancement Strategies

The revenue strategies that counties are pursuing for 2026.



11. Public Safety Impacts

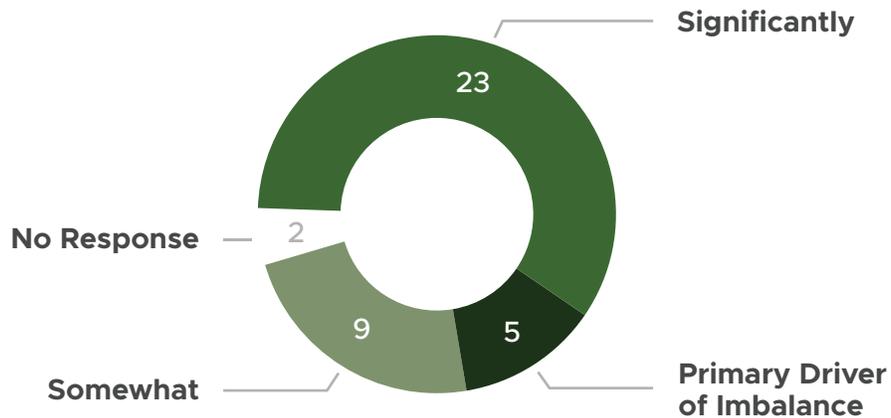
The impact of General Fund constraints on public safety services (law enforcement, courts, corrections).



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)

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

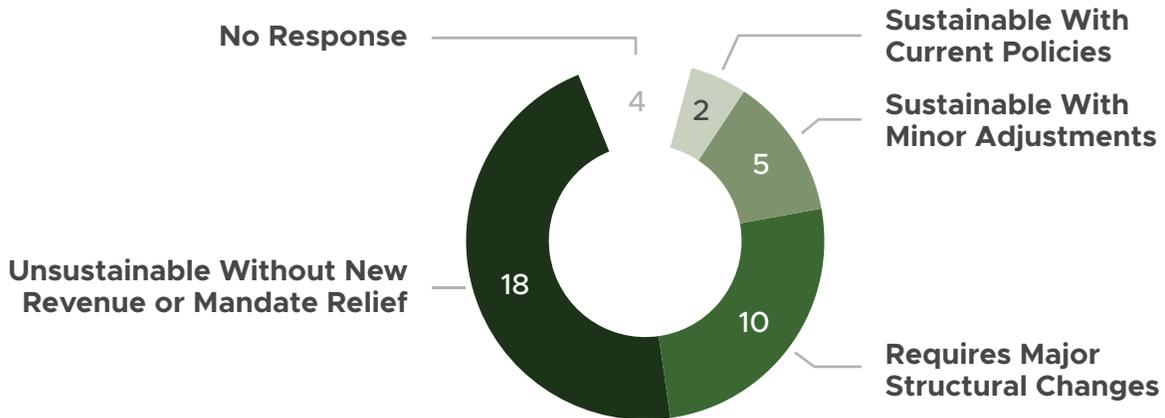
The most difficult expenditure reductions or budget cuts counties felt forced to make in the 2026 General Fund, and why.

- **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.



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of **COUNTIES**

