

# Kitsap County Budget

2026 Budget Submissions

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December 1<sup>st</sup>, 2025 | 5:30 p.m. | Commissioner Chambers



**KitsapCounty**

12/1/2025



# 2026 BUDGET

## PRELIMINARY BUDGET: \$651.01 MILLION

### INTERNAL SERVICE FUNDS: \$87 MILLION

These funds operate under the enterprise fund business model servicing County Departments as their customers. The long-range goal is to establish rates which will pay all operating and capital costs and ensure the General Fund does not subsidize these activities.

### SPECIAL REVENUE FUNDS: \$230.3 MILLION

There are 59 funds having combined expenditures well in excess of the General Fund budget. The nature of the revenue sources mandate that these monies can only be used for specific purposes. Two of the largest funds in this category are County Roads and County Roads Construction, both of which are administered by the Public Works Department.

### CAPITAL & DEBT BUDGET: \$14.8 MILLION

The capital budget represents the amount of funds allocated for long-term investments in our facilities, including building constructions and renovations, and infrastructure. This money is largely raised through the issuance of bonds for long-term debt.

### ENTERPRISE FUNDS: \$174.4 MILLION

Kitsap County has 13 funds operated in a manner like private business. These funds are primarily administered by the Public Works Department; their operations rely on fees collected for services provided to our citizens. These services include Solid Waste, Landfill Operations, Sewer (Utility, Improvement, & Construction) as well as the Surface and Storm Water Management.

Least Restrictive Funds



Most Restrictive Funds

Parks Maintenance Fund  
Lodging Tax  
Jail/Juvenile Sales Tax  
Capital Facilities  
Information Services

Mental Health Admin  
Recovery Center  
Debt Service Fund  
Community Development  
Real Estate Excise Tax

County Road Fund  
Parks Impact Fees  
Road Impact Fees  
Conservation Futures  
Elections

Sewer Utility  
Solid Waste  
SBHASO Medicaid Fund  
Area Agency on Aging

# THE GENERAL FUND

2026 PRELIMINARY BUDGET - \$137.9 MILLION

**County's largest individual fund and the center of County budget challenges**

**Primary sources of revenue – Property and Sales Taxes – the health of the fund is tied to the changes in the local economy**

**Finances the majority of traditional services associated with County government**

**Most of the budget deliberations center around this fund since it allows for resource allocation flexibility**

**Beginning in 2022, planning processes have identified “status quo” costs outpacing sustainable operating revenues. The long-term outlook will require reducing costs by increasing efficiencies, eliminating staff or services, and pursuing additional revenue opportunities.**

# GOVERNMENT IN A HIGH-INFLATION ENVIRONMENT

## MAJOR COST ESCALATIONS

### 1. JAIL MEDICAL CONTRACT

Next year it will cost \$6.8M to provide medical services in the Jail. In 2020, this cost was \$3.2M, and in 2017, it was \$1.8M. The current contract will reach \$8.6M in 2029.

### 2. INSURANCE

The County is self-insured for employee medical as well as property, casualty, liability and worker's compensation. Medical costs have increase by 37% since 2023 with total expenses exceeding \$29M. Insurance premiums have doubled the cost of the Risk Management program since 2019, previously \$4M per year.

### 3. HEADCOUNT

People represent more than 70% of the General Fund's costs. Headcount is virtually flat over a 20-year period. Reducing costs results in eliminating positions, which will have an impact on services.

# STRUCTURAL PROBLEM

CURRENT EXPENSE LEVY RATE \$0.58/\$1,000

Property taxes represent 30% of the General Fund's revenue budget

## 1% CAP ON REVENUE GROWTH

- On average, less than \$0.08 per dollar goes directly to the County to support the General Fund operations. If you live in unincorporated Kitsap County, almost \$0.11 goes to Public Works for roadwork.
- Property tax revenue that supports the Sheriff, Courts, Prosecutor, Medical Examiner & Parks is estimated to increase by \$635,000 next year - this estimate includes new construction.



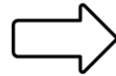
# WHAT HAVE WE DONE?

## BOARD OF COUNTY COMMISSIONERS, EMPLOYING OFFICIALS & STAFF



### EDUCATION

Communication of complex issues.



### FORECASTING

Conservative Sales Tax forecasts and anomalous interest earnings due to Federal Monetary Policy.



### COLLABORATION

Monthly budget updates and extensive inter-departmental communication.



### COMMUNITY

Presentations at community councils, high schools and new employee orientation. Online dashboards & newspaper articles.



### POLICY

Hiring freeze resolution impacting non-essential positions effective June 9<sup>th</sup>, 2025. This captured natural attrition savings and prepared departments for budget cuts.



### SURVEY

First direct resident input gathering in two decades to get key insights on government services and the quality of life in our communities.

# HOW IS IT MEASURED?

## DEPARTMENTS HAD DIFFERENT GOALS

- Detailed financial information for each department’s budget is available on the website. Use filters, shown below, on the dashboard to explore financial information.
- Budget staff have summarized specific items and quantified their impact. Every department has a Budget Summary worksheet.
- Employing Officials were given the opportunity to prioritize and choose how they would meet their target.

### BUDGET SUMMARY

Net elimination from supplies/ services budget line items	(\$)
Position elimination from a reclass/reorganization, FTE reduction	(\$)
New revenue or increased revenues as a result of a specific management action	\$
Total fiscal impact	

## 2026 Budget Submissions

Select a **Department** and **at least one other filter from the bottom row**. Scroll through the charts to see the data organized in different ways. Use the button on the right to clear filters.



Clear all filters

1. Department: All Fund: All Program Name: All

2. Expense | Income | Ledger Account Summary: All | Ledger Account: All | Revenue/Spend Category: All

# HOW IS IT MEASURED?

3% OF THE 2025 BUDGET SHARED EQUALLY

Expenses by Department/Office					
Department/Office	Actual 2024	Adopted Budget 2025	6-Month Actual 2025	Budget 2026	Budget Variance
Administrative Services	1,005,379	1,100,851	554,002	1,033,876	(66,975)
Assessor	3,127,156	3,478,837	1,755,204	3,457,531	(21,306)
Auditor	2,604,786	2,763,537	1,345,755	2,680,106	(83,431)
Clerk	4,598,048	4,838,011	2,352,675	4,802,749	(35,262)
Community Development	2,776,083	2,976,947	1,359,797	3,009,429	32,482
County Commissioners	2,317,782	2,594,286	1,279,682	2,670,330	76,044
Dept of Emergency Management	1,280,919	1,298,878	688,652	1,289,726	(9,152)
District Court	4,587,087	4,932,778	2,471,613	5,072,913	140,135
GA&O	10,170,889	7,197,995	3,229,740	6,977,966	(220,029)
Human Resources	2,127,933	2,295,148	1,092,585	2,321,441	26,293
Human Services	875,965	863,625	548,078	929,346	65,721
Juvenile	8,168,587	9,518,989	4,429,615	9,210,040	(308,949)
Medical Examiner	1,757,281	1,757,112	941,115	1,941,044	183,932
Parks	5,470,254	6,582,124	3,130,043	6,709,595	127,471
Prosecutor	10,977,314	12,357,831	5,972,019	12,431,482	73,651
Public Defense	4,629,198	5,208,250	2,609,144	5,926,957	718,707
Sheriff	58,106,743	58,065,878	28,728,693	61,129,637	3,063,759
Superior Court	4,463,249	4,494,144	2,200,707	4,824,181	330,037
Treasurer	1,524,809	1,656,079	850,353	1,561,234	(94,845)
<b>Total General Fund Expenses</b>	<b>130,569,461</b>	<b>133,981,300</b>	<b>65,539,474</b>	<b>137,979,583</b>	<b>3,998,283</b>

## EXPENDITURE IMPACT IS DIFFERENT

- Department revenues filled gaps
- Impact of salaries & benefits
- Large cost escalations
- Right-sizing budgets for ongoing costs

# WHAT'S NEXT?

## THE PLAN

### BUDGET CALL LETTER

- Direction from County Commissioners – 2026 budgets need to look like 2025 budgets

### FUND BALANCE

- Strategy of reducing costs and utilizing some fund balance
- Conservative revenue forecasting
- Buying time during uncertain times

### EDUCATE & GET INVOLVED

- Presentations at community groups
- Reduction or elimination of services
- Voter approved tax increases

Ledger Type	2025	2026	2027	2028	2029
Revenue	\$131,781,300	\$137,629,583	\$135,928,784	\$137,043,726	\$139,473,094
Expense	(\$133,981,300)	(\$137,979,583)	(\$141,973,865)	(\$146,927,685)	(\$151,576,045)
Estimated Reserves	\$36,852,853	\$36,700,419	\$30,655,339	\$20,771,380	\$8,668,429
Difference		(\$350,000)	(\$6,045,081)	(\$9,883,959)	(\$12,102,951)

### Departments to Retain 2025 Budget & Absorb Status Quo Impacts

Department	2025	% of Budget	Required 2026 Fiscal Impact	Estimated 2027 Target <i>(if 2026 is met)</i>	Fiscal Impact Achieved*	2026 Draft Budget
Human Services	863,625	1%	\$ (25,909)	\$ (19,432)	\$ (40,257)	\$ 929,346
Emergency	1,298,878	1%	\$ (38,966)	\$ (29,225)	\$ (38,966)	\$ 1,289,726
District Court	4,932,778	4%	\$ (147,983)	\$ (110,988)	\$ (139,959)	\$ 5,072,913
Human Resources	2,295,148	2%	\$ (68,854)	\$ (51,641)	\$ (68,854)	\$ 2,321,441
Sheriff	58,065,878	43%	\$ (1,741,976)	TBD	\$ (1,732,129)	\$ 61,129,637
County Commissioners	2,594,286	2%	\$ (77,829)	\$ (58,371)	\$ (109,899)	\$ 2,670,330
Treasurer	1,656,079	1%	\$ (49,682)	\$ (37,262)	\$ (58,942)	\$ 1,561,234
Parks	6,582,124	5%	\$ (197,464)	\$ (148,098)	\$ (196,661)	\$ 6,709,595
Public Defense	5,208,250	4%	\$ (156,248)	\$ (117,186)	\$ (156,500)	\$ 5,926,957
Assessor	3,478,837	3%	\$ (104,365)	\$ (78,274)	\$ (98,011)	\$ 3,457,531
Medical Examiner	1,757,112	1%	\$ (52,713)	\$ (39,535)	\$ (52,962)	\$ 1,941,044
Auditor	2,763,537	2%	\$ (82,906)	\$ (62,180)	\$ (127,280)	\$ 2,680,106
Community Development	2,976,947	2%	\$ (89,308)	\$ (66,981)	\$ (99,146)	\$ 3,009,429
Superior Court	4,494,144	3%	\$ (134,824)	\$ (101,118)	\$ (134,824)	\$ 4,824,181
Clerk	4,838,011	4%	\$ (145,140)	\$ (108,855)	\$ (201,065)	\$ 4,802,749
Administrative Services	1,100,851	1%	\$ (33,026)	\$ (24,769)	\$ (57,376)	\$ 1,033,876
Prosecutor	12,357,831	9%	\$ (370,735)	TBD	\$ (380,474)	\$ 12,431,482
Juvenile	9,518,989	7%	\$ (285,570)	\$ (214,177)	\$ (285,570)	\$ 9,210,040
General Admin & Ops	7,197,995	5%	\$ (215,940)	\$ (161,955)	\$ (215,940)	\$ 6,977,966
<b>Total</b>	<b>133,981,300</b>		<b>\$ (4,019,439)</b>	<b>\$(1,430,047)</b>	<b>\$ (4,194,815)</b>	<b>\$ 137,979,583</b>

# HOW CAN YOU LEARN MORE?

## RESOURCES ON OUR WEBSITE

- Kitsap.gov > How Do I? > Find Info On > County Budget
- Watch the Budget Hearings - Recorded Meetings
- Dashboards – detailed budget line items, high-level forecasts, Kitsap Budget 101
- Program Summaries & Presentation Materials

The screenshot shows the 'Budget & Finance' page on the Kitsap County website. The navigation menu at the top includes 'Home', 'Administration', 'Budget', 'Public Records', 'Purchasing', 'Risk Management', and 'Contact Us'. A red arrow points to the 'Contact Us' link. The 'Budget' menu is open, showing options like 'Budget', 'Schedule', 'Overview - 2026 Budget', '2026 Budget Submissions', 'Kitsap Budget 101', '2025 Kitsap County Budget', 'Monthly Budget Status Update', 'Sales Tax Breakdown', and 'Functional Organization Chart'. The main content area includes a 'Monthly Budget Status Update' section, a '2026 Budget Review Schedule' section, and a 'Supporting Documents - Budget Hearings 2026' section. The 'Supporting Documents' section has a 'Hearing Presentations' button. On the right side, there are two sections: 'Budget Books' with links for 2025, 2024, 2023, 2022, and 2021 Budget Books, and 'Adopted Budget & Amendments' with buttons for 2025, 2024, 2023, and 2022 Budgets. The footer shows 'Administrative Services' and 'Human Services'.

# QUESTIONS?



# THANK YOU!



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