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2025 BUDGET

ADOPTED BUDGET: \$609.43 MILLION

INTERNAL SERVICE FUNDS: \$72.9 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: \$226.9 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: \$20.8 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: \$154.9 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 | Mental Health Admin | County Road Fund | Sewer Utility |
| Lodging Tax | Recovery Center | Parks Impact Fees | Solid Waste |
| Jail/Juvenile Sales Tax | Debt Service Fund | Road Impact Fees | SBHASO Medicaid Fund |
| Capital Facilities | Community Development | Conservation Futures | Area Agency on Aging |
| Information Services | Real Estate Excise Tax | Elections | |

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THE GENERAL FUND

2025 ADOPTED BUDGET - \$131.7 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 County will be required to cut costs by increasing efficiencies, eliminating staff or services, and pursuing additional revenue opportunities.

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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.

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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.



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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 9th, 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.

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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.
- Ask questions!

| 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

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WHAT'S NEXT?

THE PLAN

BUDGET CALL LETTER

- Direction from County Commissioners – 2026 budgets need to look like 2025 budgets
- Employing Officials prioritize and plan

FUND BALANCE

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

EDUCATE & GET INVOLVED

BUDGET SUMMARY

| | |
|---|------|
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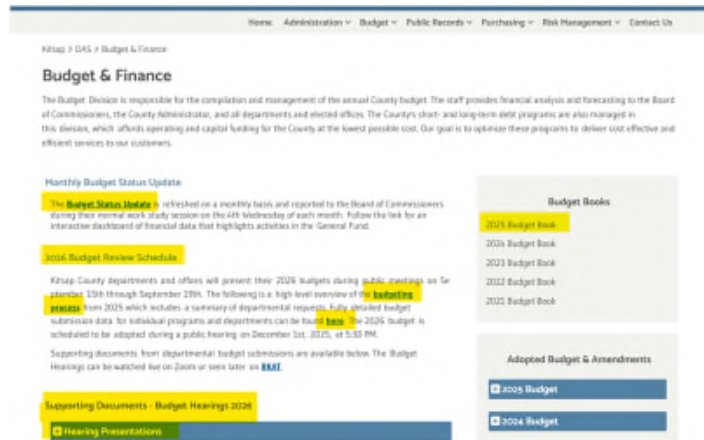
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HOW CAN YOU LEARN MORE?

RESOURCES ON OUR WEBSITE

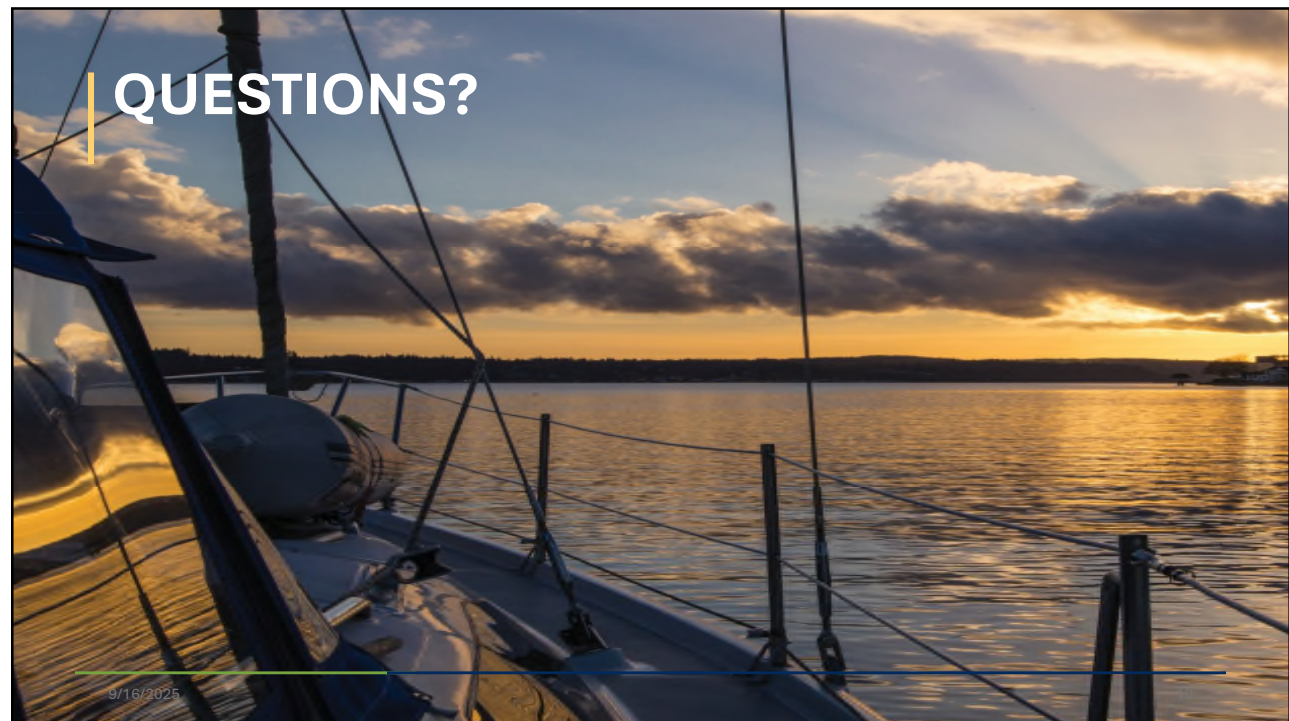
- Kitsap.gov > How Do I? > Find Info On > County Budget
- Watch the Budget Hearings - Recorded Meetings
- Dashboards – detailed budget line items, high-level forecasts, Kitsap Budget 101
- Program Summaries & Presentation Materials



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THANK YOU!



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Scan the **QR
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