

February 2026

Fiscal Sustainability in Snohomish County

A Path Forward

Fiscal Sustainability Task Force



Focus: Identify realistic, near-term actions within County authority to stabilize the budget in the next biennium.

Deliverables:

- Recommendations that connect revenue planning to spending priorities.
- A clear, accessible public narrative about fiscal realities and trade-offs.
- A report to the Executive that establishes a foundation for future decision-making and advocacy.

Snohomish County Fiscal Sustainability Task Force Members

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NAACP Snohomish County

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Fiscal Sustainability Task Force

Session 1:
Orientation &
Government
Finance 101

Session 2: County
Services &
Financial Forecast

Session 3: Budget
Strategies &
Framework

Session 4 & 5:
Prioritization &
Recommendations

Engagement Overview:

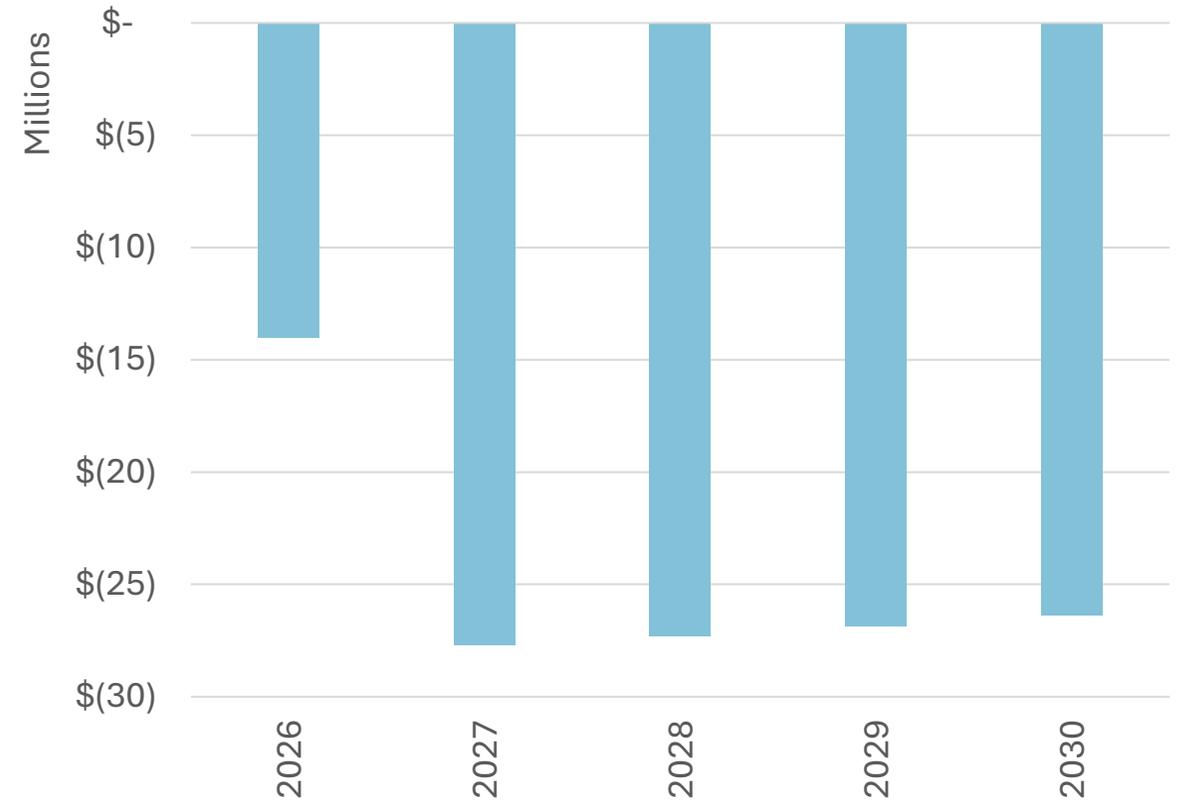
- Five facilitated sessions with guest speakers from Public Works, Finance, IT, OPEX, and Sherriff's Office
- All sessions included briefing documents and current snapshots of fiscal operations, opportunities, and challenges
- Varied input opportunities across sessions and through surveys
- Goal was not consensus but identification of areas of alignment and discussion of key themes and trade-offs of potential strategies

Snohomish County's Fiscal Challenge

Snohomish County General Fund
Revenue vs. Expenditure
2027-2028 Preliminary Pro Forma

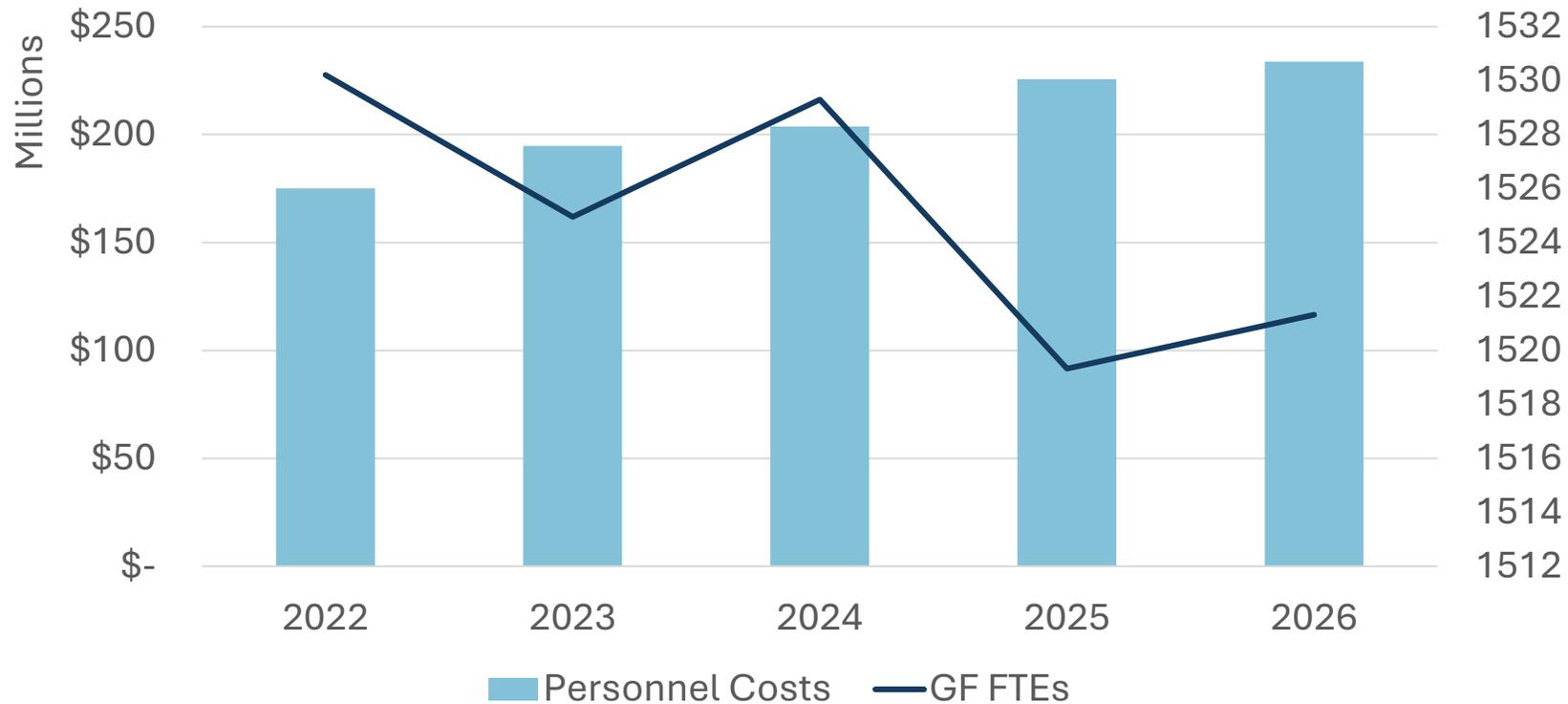


Snohomish County General Fund
Structural Deficit
2027 Preliminary Pro Forma



Rising Costs and Service Demands

General Fund Budget
Personnel Costs compared to FTEs

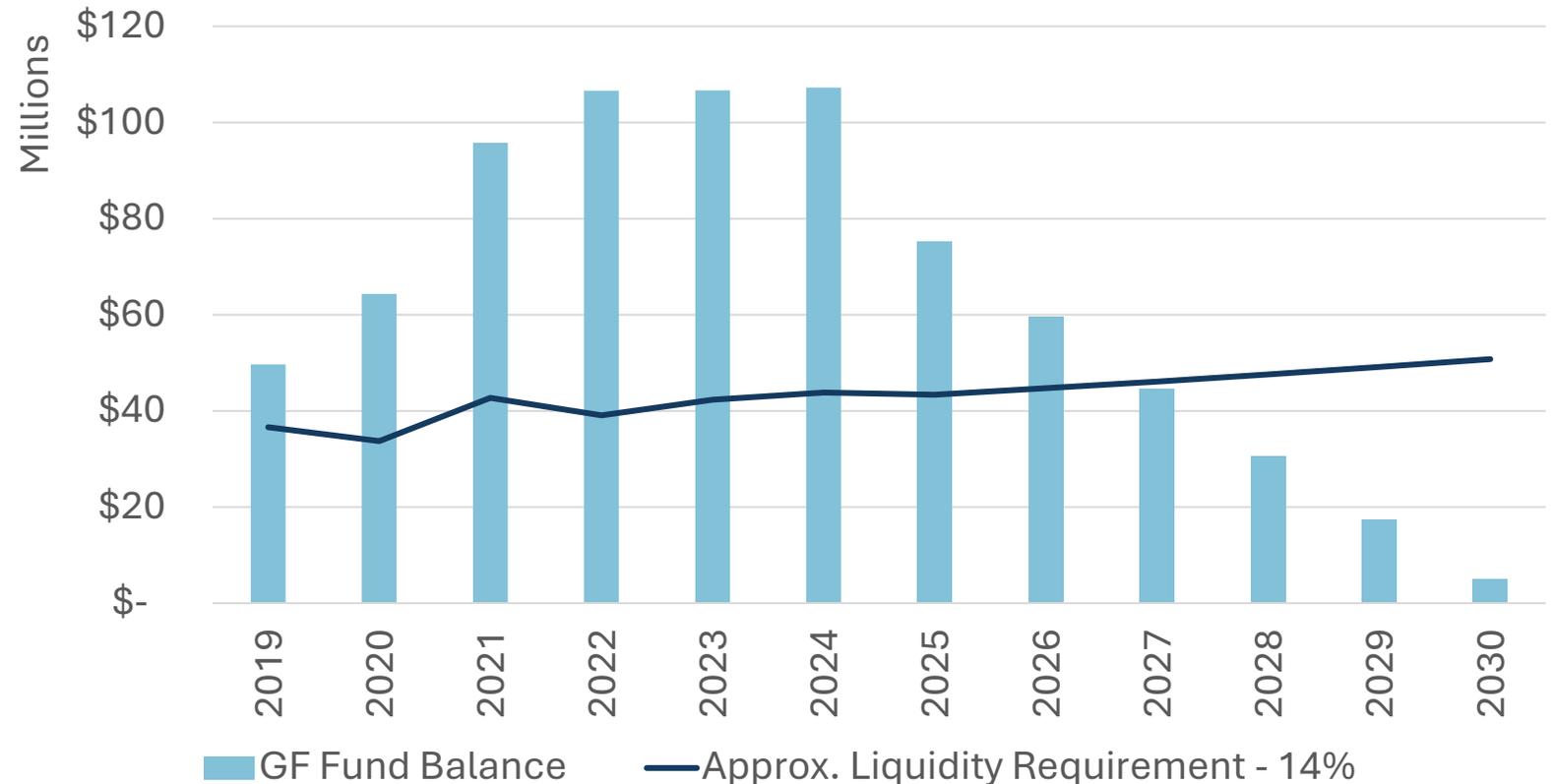


Personnel and benefit costs, including wages, health care, and retirement obligations, represent a significant and growing share of County expenditures. These costs tend to grow faster than general inflation.

Actions Already Taken

One-time federal relief funds were used to support recovery efforts and make targeted investments. Where possible, they also bridged one-time budget gaps. The county has also relied on the fund balance alongside departments implementing cost-containment measures.

General Fund - Fund Balance 2025-2026 Adopted



Snohomish County's Fiscal Challenge

Fiscal Stabilization Needs (As of January 2026)

Type of Gap	What it Represents	Estimated Need
Immediate Stabilization Need	The one-time gap the County must close in 2026 to maintain current service levels, avoid immediate cuts and preserve minimum liquidity.	\$2 million + overspend 2025-2026
Ongoing Structural Revenue Need	The recurring revenue required each year to realign in long-term revenue and expenditure growth and prevent deficits from widening over time.	\$27+ million per year to get to liquidity + rebuilding reserves

Near-term Actions (2027-2028)

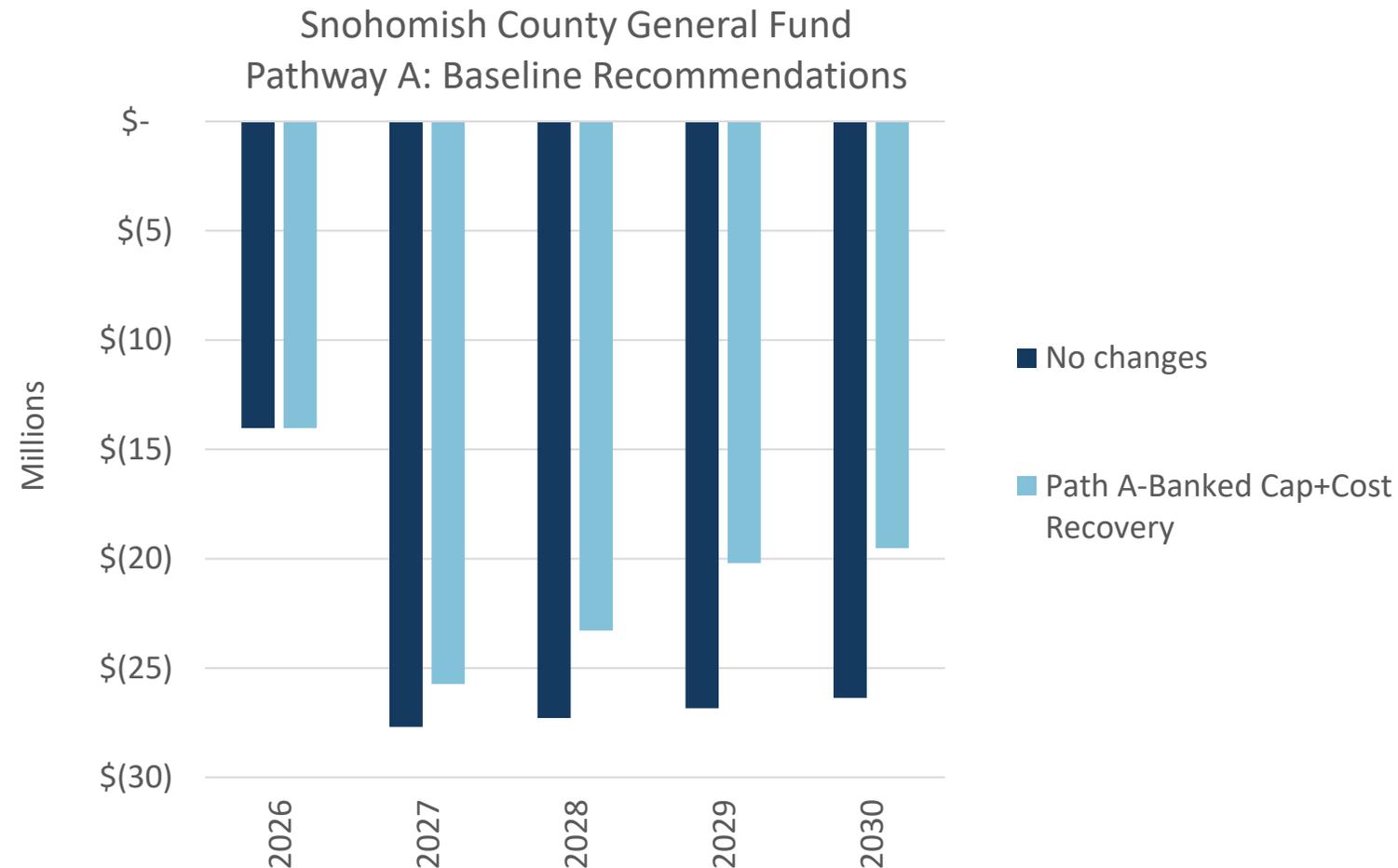
Strategy	Status of Recommendation for Consideration by County Council and Executive	Estimated Amount	Implementation Notes
Annual 1% Property Tax Revenue Increase to Support Ongoing County Operations	Recommend Prioritized	\$1 million	2026 Onward
Use of Banked Property Tax Revenue Capacity with Phased Implementation Starting 2027	Recommend Prioritized	\$4 million	Incremental phasing starting in 2027
Transportation Benefit District (TBD)- Vehicle License Fee to Stabilize the Roads Fund	Recommend Prioritized	\$6 million (Roads Fund)	2026 Onward
Fund Balance Target Policy to Reduce Fiscal Risk and Improve Budget Discipline	Ready to Recommend	NA	2026
0.1% Public Safety Enhancement Sales Tax (PSEST) to Support Public Safety and Justice Services	Conditionally Recommended	\$20 million	2027
Strategic Vacancy Management as a Cost Containment Tool	Conditionally Recommended	\$4.5 million	2026
Workforce and Expense Reductions	Requires Additional Work	Variable	
Overtime and Scheduling Reform to Reduce Premium Pay Pressures	Requires Additional Work	\$500,000-- \$5 million	

Medium-term Actions Impacts after 2028

Strategy	Status of Recommendation for Consideration by County Council and Executive	Estimated Amount	Implementation Notes
Fee Policy Alignment: Cost Recovery & Indexing	Recommend	\$2-5 million	Establish fee policy framework; conduct fee study; implement fee increases in 2029
Voter-Approved Revenue Tools	Recommend	\$1-25 million	Lay groundwork beginning in 2026

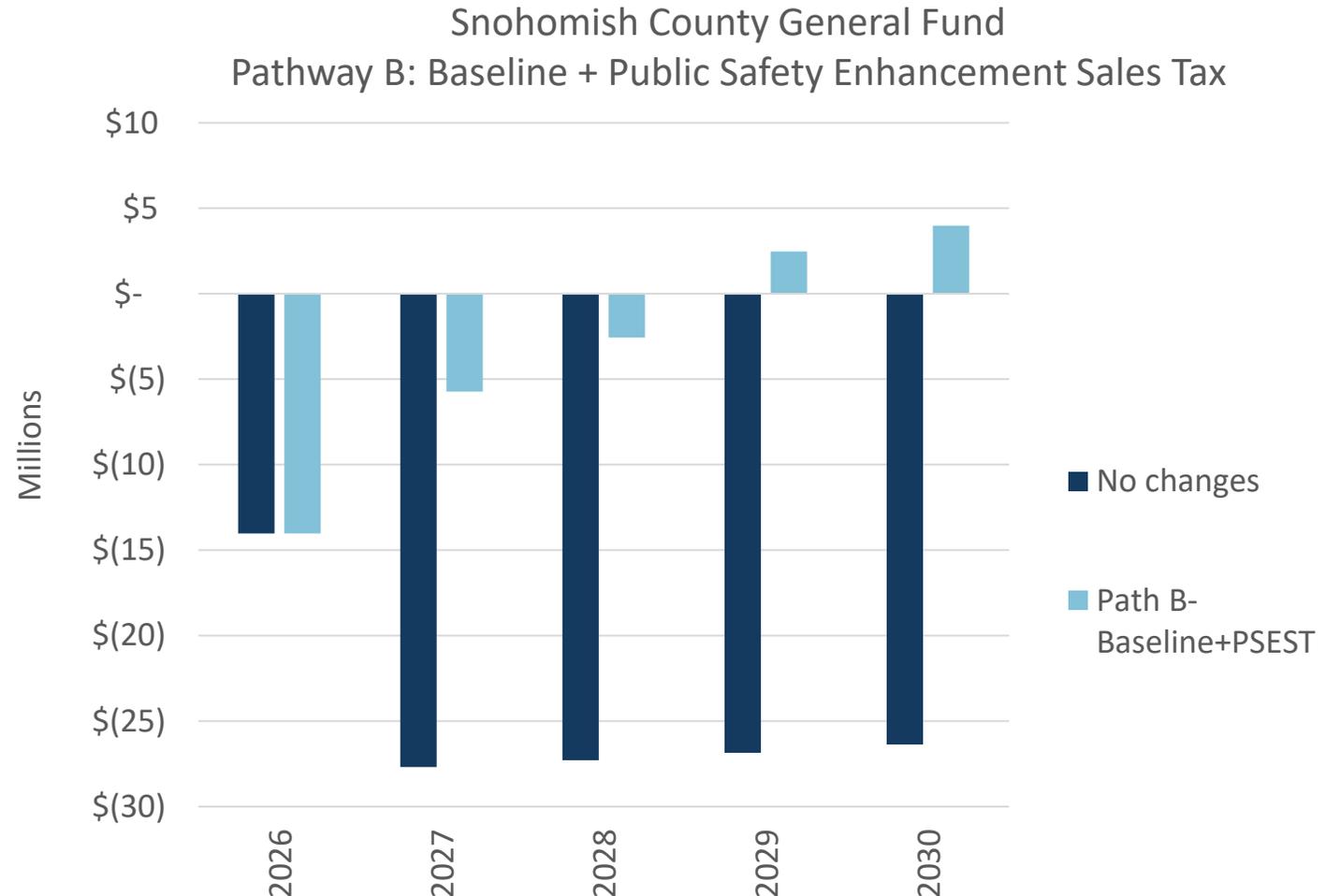
Pathway A: Baseline Actions Only

Strategy	Status	Estimated Annual Impact
1% Property Tax Levy Increase	Prioritized	~\$1M
Banked Levy Capacity (Phased)	Prioritized	~\$4M
Transportation Benefit District	Prioritized	~\$6M (Roads Fund)
Fund Balance Target Policy	Ready	Risk reduction
Fee Cost Recovery & Indexing	Ready	~\$2-5M



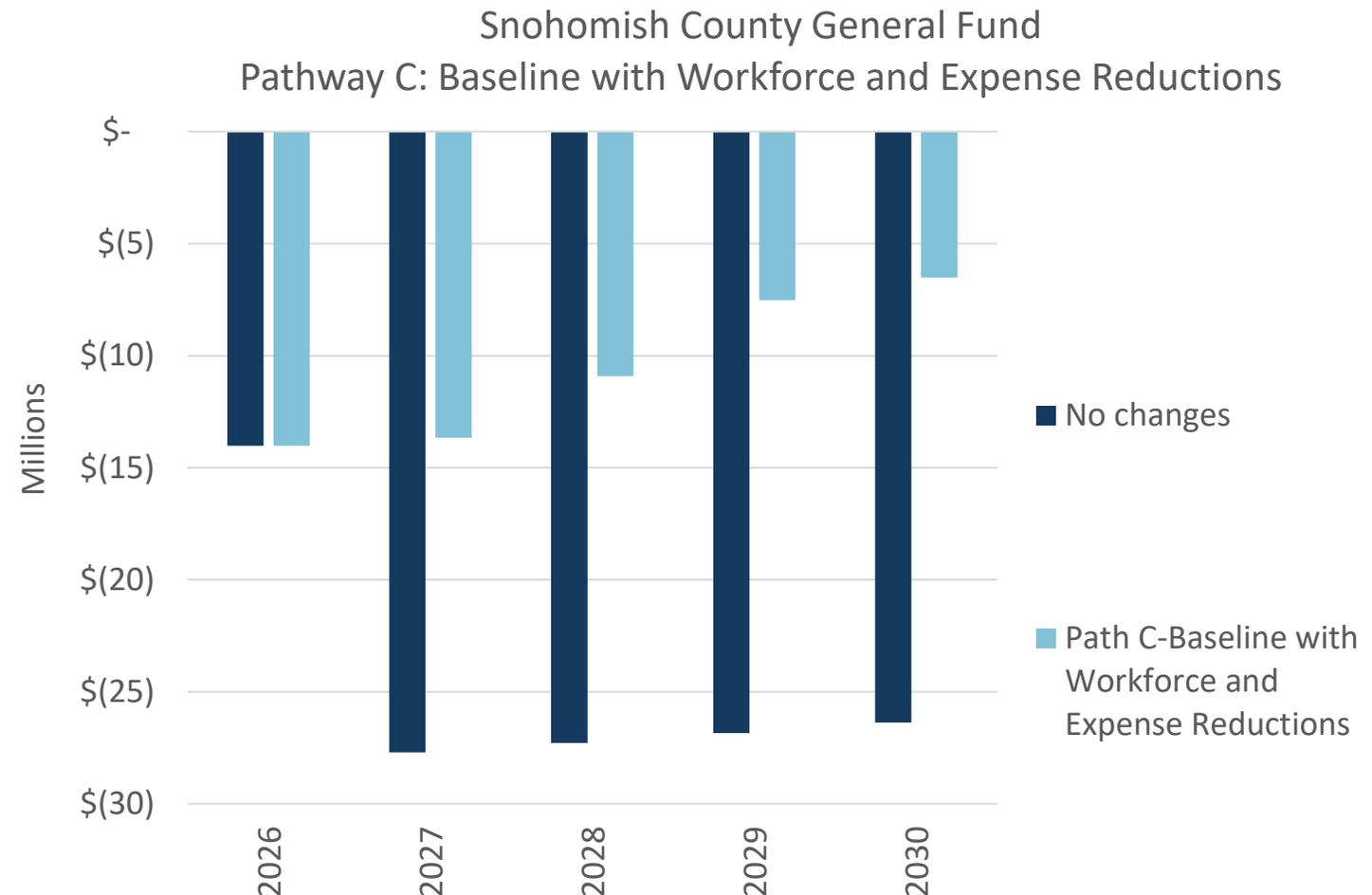
Pathway B: Baseline Actions Plus Public Safety Revenue

Strategy	Recommendation Status	Estimated Annual Impact
1% Property Tax Levy Increase	Prioritized	~\$1M
Banked Levy Capacity (Phased)	Prioritized	~\$4M
Transportation Benefit District	Prioritized	~\$6M (Roads Fund)
Fund Balance Target Policy	Ready	Risk reduction
Fee Cost Recovery & Indexing	Ready	~\$2–5M
Public Safety Sales Tax (0.1%)	Conditionally Ready	~\$20M



Pathway C: Baseline Actions Plus Workforce & Expense Reductions

Strategy	Recommendation Status	Estimated Annual Impact
1% Property Tax Levy Increase	Prioritized	~\$1M
Banked Levy Capacity (Phased)	Prioritized	~\$4M
Transportation Benefit District	Prioritized	~\$6M (Roads Fund)
Fund Balance Target Policy	Ready	Risk reduction
Fee Cost Recovery & Indexing	Ready	~\$2-5M
Strategic Vacancy Management	Conditionally Ready	\$4.5 million
Workforce and Expense Reductions (2.5%)	Requires Additional Work	\$7.7 million



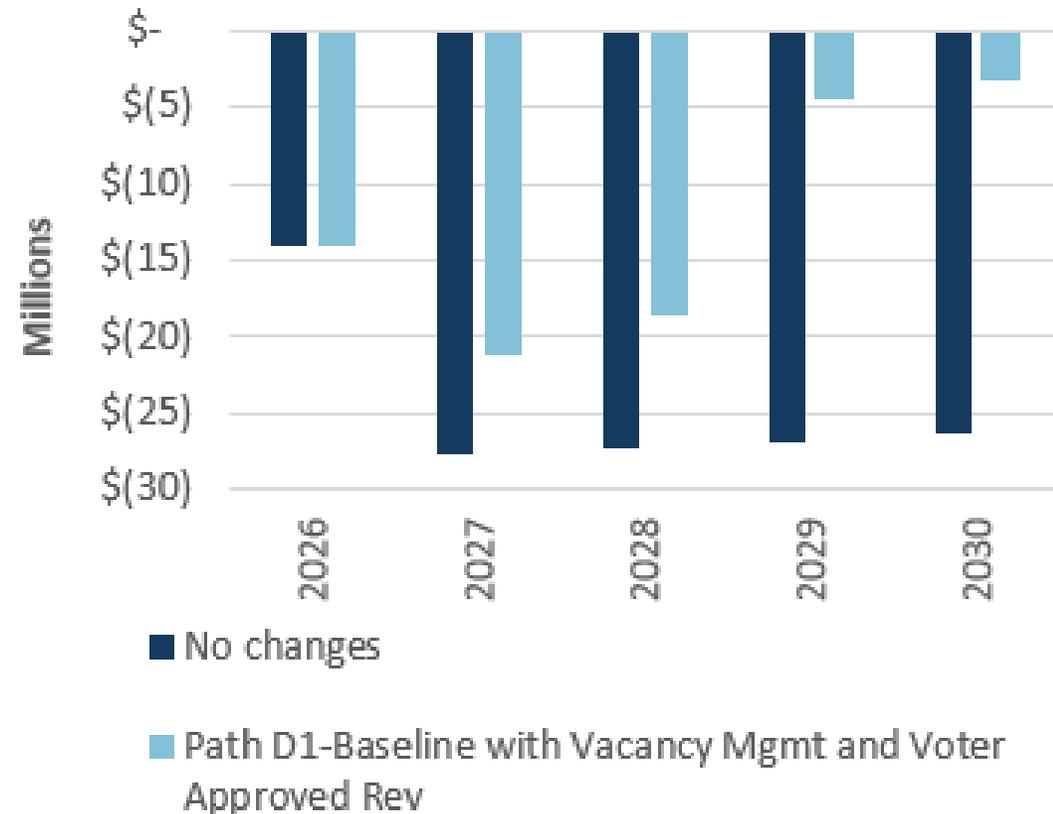
Pathway D1: Baseline Actions Plus Bridge Strategy & Future Revenue Decision

Strategy	Recommendation Status	Estimated Annual Impact
1% Property Tax Levy Increase	Prioritized	~\$1M
Banked Levy Capacity (Phased)	Prioritized	~\$4M
Transportation Benefit District	Prioritized	~\$6M (Roads Fund)
Fund Balance Target Policy	Ready	Risk reduction
Fee Cost Recovery & Indexing	Ready	~\$2-5M
Strategic Vacancy Management	Conditionally Ready	\$4.5 million



Strategy	Recommendation Status	Estimated Annual Impact
Voter Approved Revenue Tool	Ready	~\$11M

Snohomish County General Fund
Pathway D1: Baseline with Vacancy Management and Voter-Approved Revenue (2029)



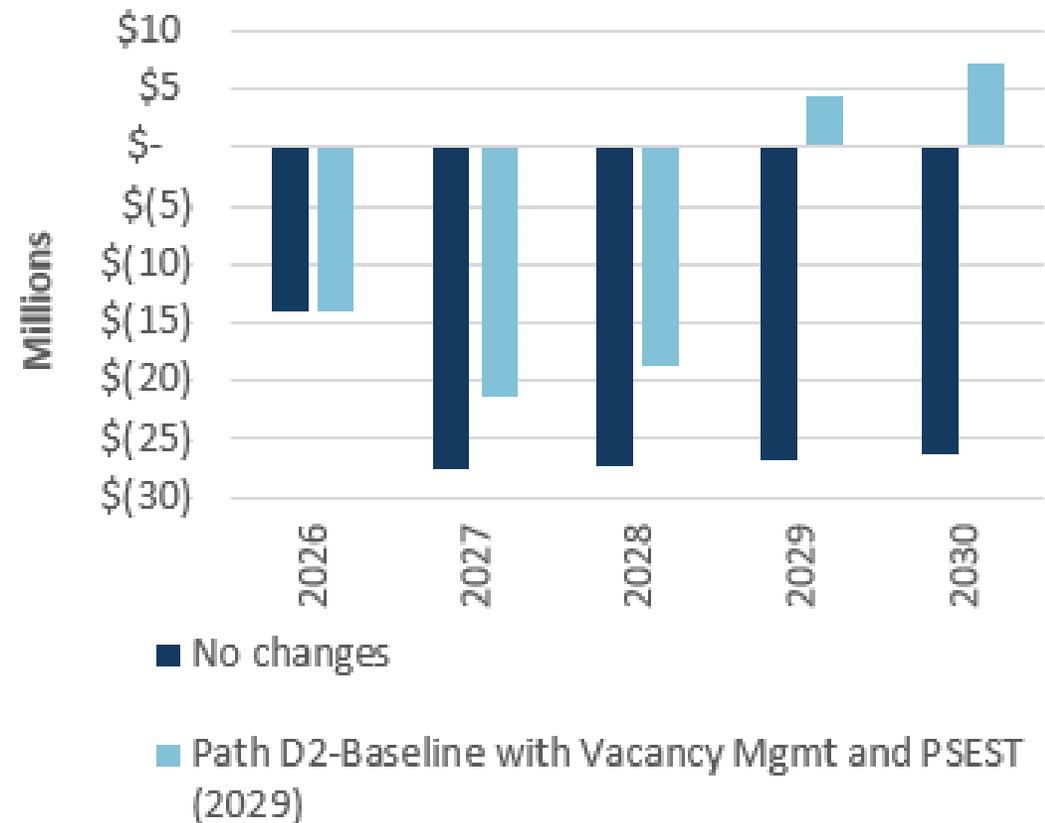
Pathway D2: Baseline Actions Plus Bridge Strategy & Future Revenue Decision

Strategy	Recommendation Status	Estimated Annual Impact
1% Property Tax Levy Increase	Prioritized	~\$1M
Banked Levy Capacity (Phased)	Prioritized	~\$4M
Transportation Benefit District	Prioritized	~\$6M (Roads Fund)
Fund Balance Target Policy	Ready	Risk reduction
Fee Cost Recovery & Indexing	Ready	~\$2-5M
Strategic Vacancy Management	Conditionally Ready	\$4.5 million



Strategy	Recommendation Status	Estimated Annual Impact
Public Safety Enhancement Sales Tax (0.1%)	Conditionally Ready	~ \$20M

Snohomish County General Fund
Pathway D2: Baseline with Vacancy Management and later PSEST Revenue (2029)



Other Medium-term Actions Impacts after 2028

Strategy

Budget Process

Priority-based budgeting; one-time vs. ongoing discipline

Recommend

Unincorporated Area Revenue Options

Commercial parking tax; school-zone speed cameras

Requires Additional Work

Long-Range Organizational Alignment

Digital modernization and innovation; shared services models, AI

Requires Additional Work

Governance & Public Alignment

Fiscal Health Advisory Committee; transparency dashboards; public communications

Requires Additional Work

Service Delivery Reforms

Roads or other service-level changes; law and justice response model collaboration

Requires Additional Work

State- Level Structural Strategies

State-Level Strategy Area	Relative Priority
Property Tax System Reform	Highest overall priority
Transportation & Roads Funding Reform	High priority
Courts, Elections & Public Safety Unfunded Mandates	Moderate to high priority
Human Services & Behavioral Health Financing	Moderate priority
REET Modernization	Lower relative priority

Key Takeaways

- Baseline actions are necessary but not sufficient.
- Closing the gap requires a deliberate choice between revenue, reductions, or a combination of both.
- Vacancy management can provide short-term relief but is not a standalone solutions.
- Voter-approved revenue tools require early and intentional groundwork.
- Workforce and service reductions close gaps more quickly but carry lasting impacts.
- Sequencing of the strategies matters.

Next Steps

- Request for presentation to Snohomish County Councilmembers
- Community awareness campaign about the County's fiscal outlook, solutions and impacts
- County Council decisions on action steps