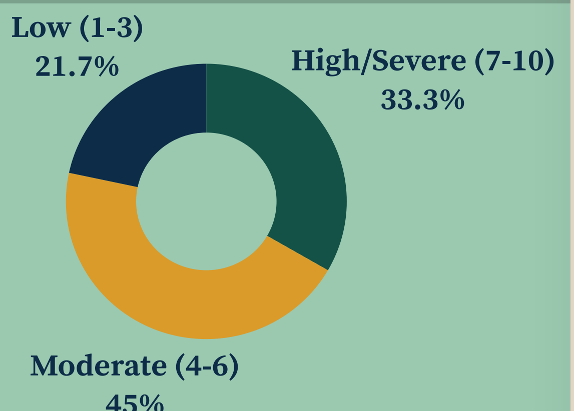
Colorado Counties, Inc.

County Fiscal Challenges

Survey Insights from 60 Colorado Counties

County Fiscal Stress Levels



Average Rating: 5 out of 10

Top Budget Pressures

- Inflationary Costs
- Rising Personnel & Pension Costs
- Declining Tax Revenue
- Reduced State & Federal Funding

Capital Project Delays

12%

of Counties delaying projects

- Road & Bridge Repairs
- Building Upgrades
- Infrastructure Delays

Service Reductions

52%

of Counties experiencing service reductions

- Hiring Freezes
- Position Cuts
- Benefit Reductions

Key Concerns

- Statutory Challenges
- Depleting Reserves
- Deferred Maintenance

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Colorado Counties Face Growing Budget Strain

A March 2026 survey of 60 Colorado counties shows that many local governments are under increasing financial pressure, even though most are still meeting required services. On average, counties describe their fiscal condition as moderately stressed, with about one-third reporting high or severe stress. Many counties note that their budgets are balanced only because of difficult, and unsustainable tradeoffs.

Counties across the state report similar challenges. Inflation continues to drive up every day operating costs, construction expenses, and the price of goods and services. Personnel costs—especially health insurance and pension obligations—are rising faster than revenues. At the same time, counties face uncertainty around state and federal funding, swings in sales and property tax collections, and increasing demand for health, behavioral health, and human services. Many counties emphasize that unfunded or underfunded mandates further stretch limited local dollars.

More than half of surveyed counties have taken steps to reduce costs or scale back services. Common actions include hiring freezes, leaving vacant positions unfilled, reducing employee benefits or increasing cost sharing, and, in higher-stress counties, layoffs or reduced service levels. The services most often affected include general government operations, road and bridge programs, and community services such as parks, libraries, and local grants. While public safety and human services are typically prioritized, some counties report growing strain even in these areas.

Budget pressure also affects long-term investments. About one in eight counties report delaying major capital projects to balance their operating budgets. Deferred projects most commonly include road and bridge maintenance, equipment replacement, courthouse and jail upgrades, public safety facilities, and routine building repairs such as HVAC systems. Counties stress that these delays do not save money in the long run but instead increase future costs, safety risks, and repair needs.

Despite these challenges, most counties report they are still meeting legal service requirements. However, this is increasingly done by operating at minimum service levels, cutting non-required programs, stretching staff workloads, using reserves, or postponing maintenance. Many counties caution that these approaches cannot continue indefinitely without additional risk to services and infrastructure.

Looking ahead, counties expect fiscal pressure to continue due to ongoing inflation, rising personnel costs, and the growing impact of deferred capital needs. Many respondents warn that, without more stable funding, greater flexibility, or cost relief, no county services can be considered fully protected in future budget cycles.