Built to Endure

How counties can prepare for the future through five pillars of effective budgeting

BY PAMELA ECKHARDT

The budget process is one of the county's most significant undertakings each year. Elected officials, department leaders, employees, and residents all rely on this policy-driven document to define essential services, guide strategic growth, and support the employees who provide the services. County governments are designed to be long-lasting institutions, carrying the responsibility of maintaining a steady financial plan while remaining resilient enough to recover from challenges and setbacks.

How do we tell the story of our county beyond the fact that "ongoing expenditures must be supported by ongoing revenues?" How do we highlight the successful services and programs operated by the county? Do our employees understand and believe in the goals leadership uses to guide the budget process?

GFOA's financial foundations framework (**gfoa.org/financial-foundations**) outlines five pillars that help governments build stronger budgets and achieve better financial outcomes.

PILLAR 1: Establish a long-term vision. Give people a reason to cooperate.

PILLAR 2: Build trust and open communication. Create the conditions for cooperation.

PILLAR 3: Use collective decision making. Develop forums for participation.

PILLAR 4: Create clear rules. Reinforce constructive behavior.

PILLAR 5: Treat everyone fairly. Promote and protect mutual trust and respect.

This article was originally published by the Idaho Association of Counties.

PILLAR 1

Establish a Long-term Vision

Long-term, or strategic, planning at the county level is far more than a bureaucratic exercise; it is one of the most valuable tools local government has to remain effective, accountable, and forward-looking. A strong strategic plan clearly defines what the county aims to achieve over the next one to five years. Rather than reacting to issues as they arise, leaders can stay focused on clearly defined goals and outcomes.

During the budget process, decision-makers can evaluate whether funding requests align with the county's long-term vision. Does a proposed program or additional staffing request advance strategic priorities? With limited resources, counties must make thoughtful choices. Strategic planning helps ensure that funding is directed where it has the greatest impact, as well as reducing duplication and providing a clear rationale for spending decisions to taxpayers.

PILLAR 2

Build Trust and Open Communication

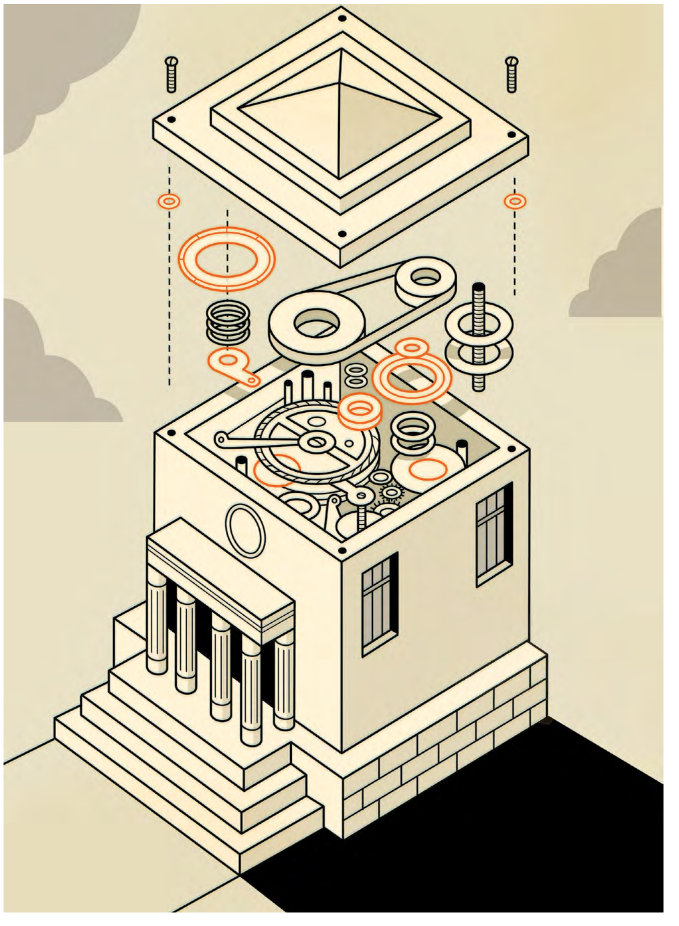
The success of any organization depends on a strong sense of *psychological safety*—a shared belief that people can speak up, take risks, and contribute ideas without fear of criticism or retaliation. With trust and mutual respect, collaboration improves, and organizations perform at a higher level. In local government, leaders play a critical role in setting this tone.

The budget process, often viewed as a win-or-lose competition for limited resources, presents opportunities for open, honest conversation and assessment of the budget proposals. Let department heads talk about the successes and goals of the services their employees provide to citizens. Look for cooperation across departments to determine how the organization can offer a cost-of-living adjustment for employees or to streamline a program or county service. When leaders actively remain open to new ideas—even those that challenge the status quo—they foster innovation, strengthen relationships, and build a culture where people work together toward common goals.

PILLAR 3

Use Collective Decision Making

Strong financial decisions are built on meaningful participation. County leaders have the opportunity to involve stakeholders at every level—elected officials, department heads, employees, and citizens—in the budget process. For example, when employees understand not only *what* decisions are made, but *why*, they are more engaged, aligned with the organization, and invested in the outcome. A stronger financial foundation emerges when people feel heard and recognize their input helped shape decisions.



The traditional budget public hearing falls short as it typically happens after important decisions have been made and can limit engagement of the public to reactive comments. To truly invite participation, counties can create earlier and more intentional opportunities for dialogue. Deliberate engagement at community forums, open houses, local organization meetings, and speaking engagements held alongside the budget process allows leaders to listen and ask: *What would you have us do*? Public engagement helps elected officials make wiser planning and budgeting choices but does not take away their role as the final decision maker.

PILLAR 4

Create Clear Rules

Clear expectations create consistency, accountability, and confidence. Well-defined financial policies establish the framework for responsible budgeting and help ensure that everyone operates from the same set of rules. When those boundaries are in place, departments can focus less on competition and more on collaboration.

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Key financial policies may include:

1. **Reserve and fund balance guidelines**
   Maintaining healthy reserves is essential to long-term fiscal stability. A common benchmark is at least 25 percent of the total budget, providing a buffer for economic fluctuations, emergencies, and future needs. Defining minimum and maximum reserve levels for each fund—and clearly outlining when reserves may be used—adds transparency and discipline.

2. **Revenue policies**
   Counties rely on a mix of revenues, including fees for services, intergovernmental funding, grants, and property taxes. Policies should clarify how these sources are used—for example, ensuring one-time revenues fund one-time expenses. They can also define expectations around cost recovery and require regular review of fees to keep them current and equitable.

3. **Structurally balanced budget**
   A sustainable budget aligns ongoing revenues with ongoing expenditures. While reserves can provide short-term balance, relying on them long-term is not sustainable. Clear policies reinforce the importance of maintaining true structural balance.

4. **Capital improvement planning**
   Long-term planning for capital assets ensures that counties can responsibly acquire, operate, and maintain infrastructure. A thoughtful plan accounts not only for upfront costs but also for ongoing maintenance and may allow funds to be set aside over time for future projects.

When these guidelines are clearly established, they reduce uncertainty and discourage counterproductive practices like padding budgets or rushing to spend unused funds at the end of the fiscal year. Instead, they promote a culture of shared responsibility, where resources are managed collectively, and departments trust they will be supported when genuine needs arise.

PILLAR 5
Treat Everyone Fairly

Budgeting is inherently high-stakes, and not every request can be funded. In this environment, fairness and transparency are critical. Perceptions of inequity—such as the belief that one department consistently receives preferential treatment—can erode trust if not addressed.

While conflict is sometimes unavoidable, it can be productive when managed with respect and a commitment to fairness. County leaders must navigate difficult conversations around staffing, budget reductions, and major expenditures with clarity and consistency. When trust is maintained—even in challenging decisions—conflict becomes an opportunity for understanding rather than division. Over time, this approach strengthens relationships, builds credibility, and ensures that decisions, even tough ones, are accepted as fair and in the best interest of all involved.

Conclusion

A budget is more than a financial document; it reflects a county's values and priorities. By emphasizing long-term planning, trust, participation, clear policies, and fairness, leaders can create a process that is both effective and respected. These principles strengthen decision making, promote transparency, and ensure that resources are used wisely. When done well, the result is a resilient organization prepared to meet today's needs while planning confidently for the future.

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