

# Survival Stories of Budgeting in the New “Cap” Environment

## Survey on HB 1176 Impacts to Budgeting

NDACo Annual Conference  
October 28, 2025

# Survey Scope & Participation

- Survey sent to County Auditors/Finance Directors and Commissioners
- 15 Questions related to the 2026 Budget
- 36 Responses including 6 Commissioners
- [Summary of Responses](#)



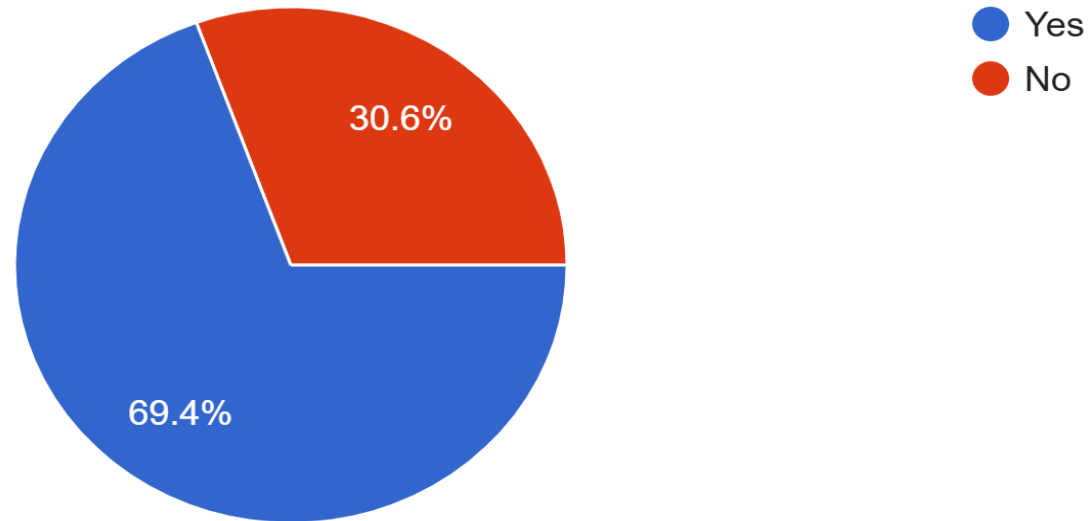
# County-Reported Challenges with 3% Cap

- **Road and infrastructure projects:** Many counties cited difficulty maintaining or expanding road systems due to budget constraints.
- **Health insurance and benefits:** Rising costs are a major concern, especially when counties can't increase budgets to match.
- **Use of reserves:** Several counties are depleting reserves to maintain services, which is unsustainable long-term.
- **Staffing challenges:** Limited ability to offer competitive wages or hire additional staff is affecting service delivery.
- **Equipment and capital projects:** Counties are deferring or canceling purchases of essential equipment and vehicles.

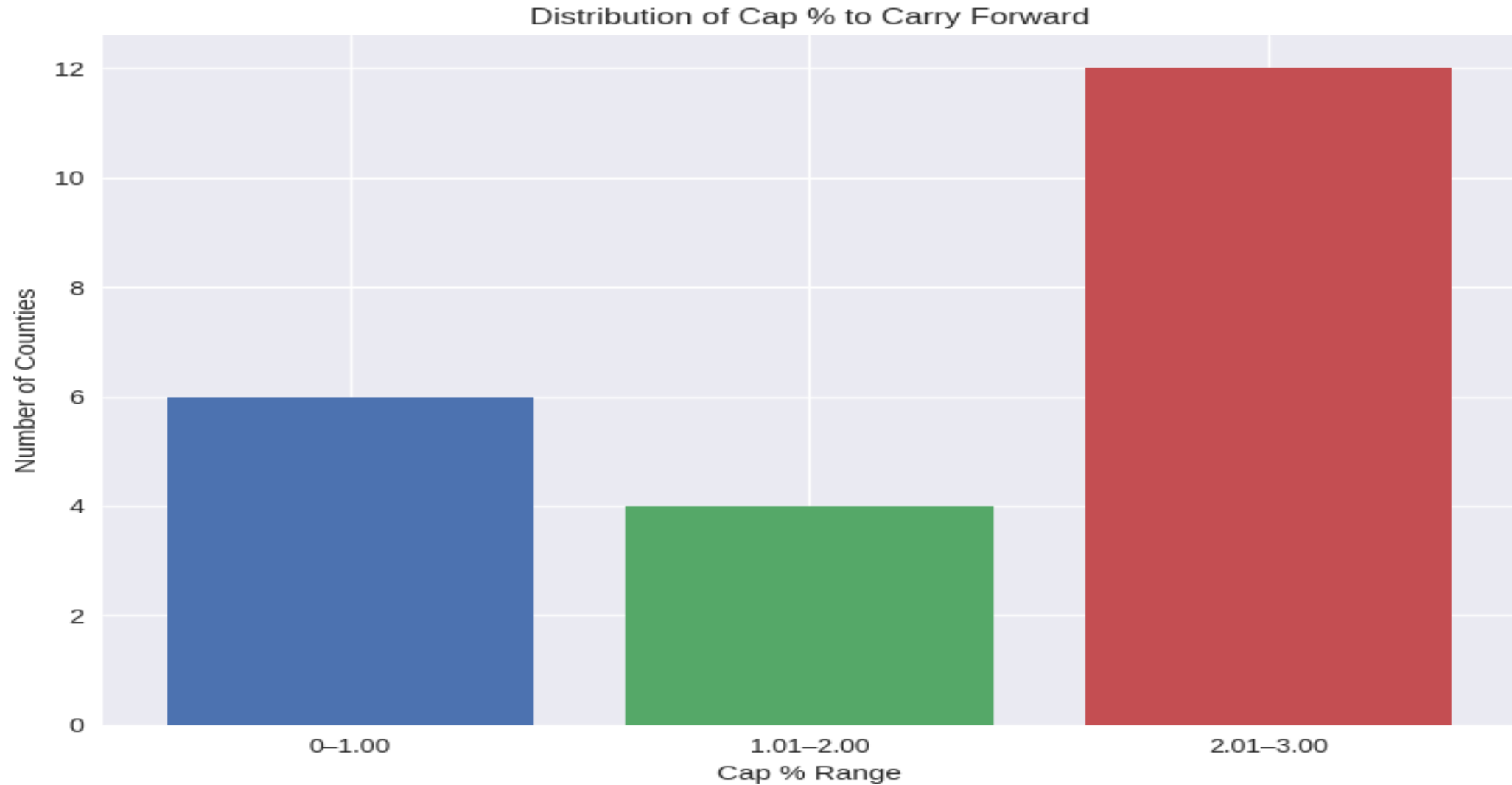
# Operational Impacts — Use of Reserves

Did you use reserves to cover 2026 budget expenses?

36 responses



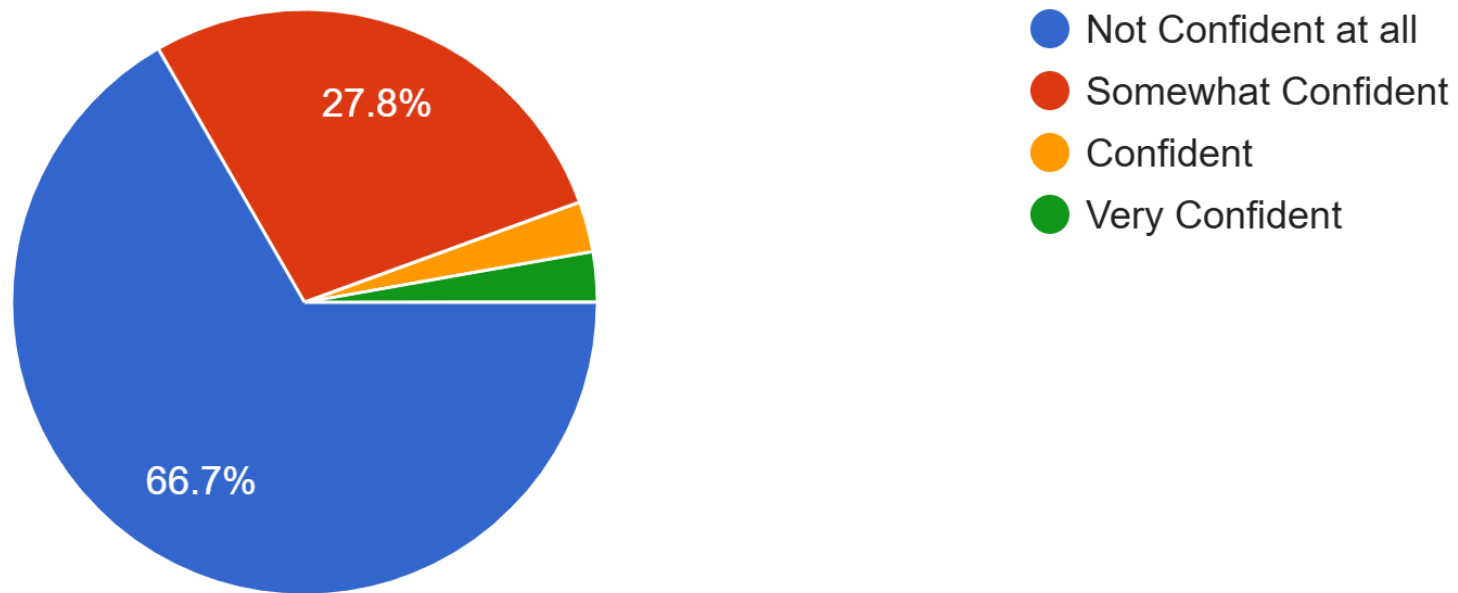
# Amount of Cap Percentage to Carry Forward



# Confidence in Meeting Residents Needs

With the 3% cap restriction, how confident are you that your county can meet the NEEDS of your residents in the next five years?

36 responses



# Looking Forward — Suggested Legislative Tweaks

- Review cap calculation method and possible exemptions for essential services.
- Consider phased implementation or targeted aid for smaller/rural counties.
- Impact to Home Rule counties with voter approved levy authority.
- State reimbursement for state mandated expenses (elections, assessment notices, publications).
- Simplified method for increasing cap for state-mandated services, infrastructure failures, emergencies.
- Cap that reflects inflation.
- Expand cap exemptions to include election costs, road levies, fire and ambulance service, correctional centers, employee health insurance.