LOCAL

Pierce County considers using $25M in savings to back fill federal spending cuts By Becca Most July 7, 2025 2:20 PM Federal funding cuts threaten food banks across Washington. See how rising need meets shrinking resources.

By Brian Hayes Key Takeaways AI-generated summary reviewed by our newsroom.

Pierce County Executive Ryan Mello has proposed adding $25 million to the county budget this year to keep its contract obligations amid federal funding cuts and policy changes. Mello, a Democrat, proposes the funding come from Pierce County’s $210 million reserves and anticipated a final vote would be before the Pierce County Council in August. It would need a simple majority to pass.

As previously reported by The News Tribune, Pierce County is facing impacts from federal funding cuts, tariffs and new directives from the Trump administration. Food banks have reported a loss of USDA assistance, as have Head Start programs, the Tacoma-Pierce County Health Department and local schools. A draft of the ordinance shared with The News Tribune said the budget adjustment is “necessary to address ongoing uncertainty related to federal funding.” The supplemental budget would allocate $25 million to the Department of Finance “to address programmatic and operational impacts resulting from the loss or reduction of federal funding during fiscal year 2025,” according to the ordinance.

The funds would not be used to “establish new programs, expand existing services or increase existing appropriations” but to preserve the “existing functions or mitigat[e] the direct effects” of federal funding reductions “for which spending has commenced or a contract is in place pursuant to a Council approved grant application,” per the ordinance.

Additionally, $100,000 “may be used by the Department of Planning and Public Works to hire a consultant to review the department’s funds, including how fees are set, how financial policies are applied and whether reserves are adequate and properly maintained” and “recommend any needed updates to fiscal policies, fee models and reserve practices.”

Republican Vice Chair Paul Herrera declined to comment on the proposed supplemental budget. Democrat Jani Hitchen, the chair of the Pierce County Council, told The News Tribune on Thursday she wasn’t surprised to see Mello’s proposal and saw the supplemental funding as a one-time investment “in response to an emergency” situation. She said all council members received a copy of the amendment this week, but Hitchen said she needed more time and information to understand the details of the proposal. Hitchen said Pierce County owes contractors for work already completed and needs to pay them to make them whole and keep trusted partners who are willing to work with the county.

Later this month the council will be discussing the supplemental budget proposal more in depth, and she anticipates some hesitancy because it’s “a lot of money.” ‘At risk of turning off the faucet’ In an interview Monday, Mello said ongoing federal funding cuts are sowing “chaos and confusion” and resulting in “significant reductions in all kinds of programs — everything from emergency management preparedness to dollars we rely on for public works, to dollars we rely on to support vulnerable people, seniors, food security, homelessness interventions.”

 “The federal government is at risk of turning off the faucet, and I need some certainty that I can pay these contractors, the current contractors that are currently under contract,” Mello said. “I need an ability to keep these programs staffed and keep the money flowing to our providers to protect the most vulnerable during this time.” The News Tribune received a tip on June 25 from an unnamed Pierce County Human Services case manager who was concerned that hundreds of case managers would be laid off this week in anticipation of federal cuts. Mello said Monday he understands there is a lot of fear and uncertainty right now, but said no layoffs would happen in that department. Mello said he signed contracts with Medicaid in the last two weeks, “and to my knowledge, the money’s flowing.” Much of the federal funding allocated to Pierce County is dispersed to nonprofits and other agencies that support human service-related programs through contracts, Mello said.

The Trump administration has put terms and conditions on grant agreements to “ensure grant funds do not promote gender ideology” or “discriminatory equity ideology,” per executive orders signed in January. Mello called those terms “coercive” and “vague” with “nothing to do with the grant agreements” themselves, bringing “major risk to state and local governments” that accept those grants by opening up governments and grant recipients to liability issues and lawsuits.

In May Pierce County joined eight local governments, including King County, in litigation against the Trump administration’s U.S. Department of Housing and Urban Development and the Department of Transportation Federal Transit Administration over the new requirements tied to federal grant funding. Mello’s proposed $25 million budget addition would cover only select grant obligations through the end of the year. When asked how he would continue to fund programs in the next biennium, Mello said he would be working to draft a 2026-2027 budget this summer to present to the council in late September. “We’re looking really carefully, especially [at] federally funded programs, to see which ones we have some certainty about and which ones we don’t,” Mello said. “The short answer is, I don’t know. Everything’s up for conversation … Part of this needs to play out in federal court, to be able to say, ‘OK, will these dollars flow or not?’

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