



City and County of Denver

# 2026 Proposed Budget

Mayor Mike Johnston  
Sept. 15, 2025

# Highlights

- Closed \$200 million budget gap while protecting core public services, maintaining citywide priorities and with no new taxes or increased fees
- Reduced General Fund budget to 5.8% to meet projected 2026 revenue
- Strengthened our reserves for the first time since 2022

# “20 of the Nation’s 25 Largest Cities Must Close Budget Gaps” in 2026

August 2025 data from Pew Research Center

- **Colorado Springs, CO:** 7% budget cuts, 2026 layoffs and furloughs
- **Colorado State Budget:** \$1.2 billion budget gap
- **Los Angeles, CA:** \$1 billion shortfall
- **San Francisco, CA:** \$2 billion budget deficit
- **Chicago, IL:** \$1.15 billion shortfall
- **Houston, TX:** \$202 million budget deficit

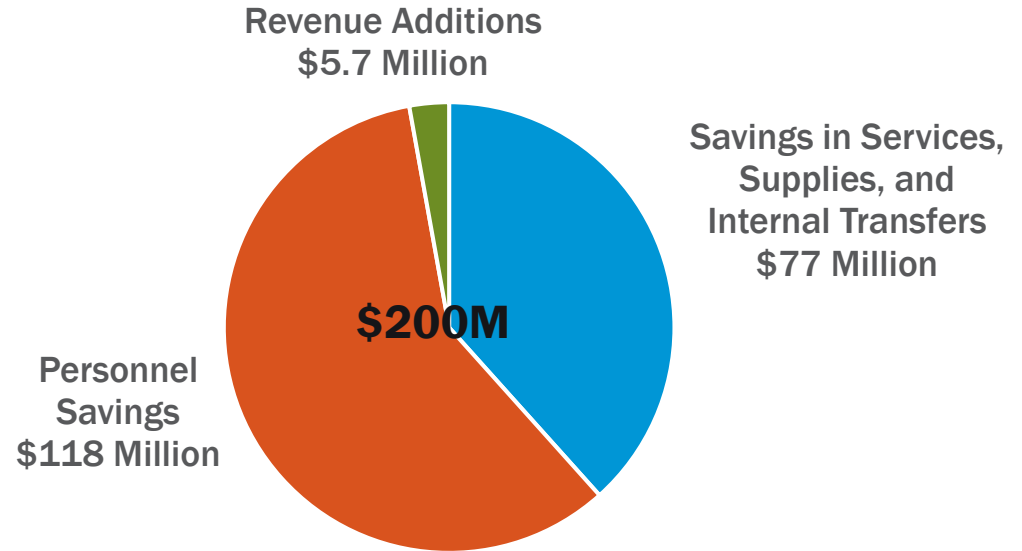
# A Closer Look at Denver

Normal growth in expenditures	\$1.86 billion
<u>– Anticipated 2026 revenue</u>	<u>– \$1.66 billion</u>
= Gap	= \$200 million

# Summary of \$200 Million in Savings

Restructured and consolidated multiple agencies

Personnel is 59% of reductions but ~70% of our budget

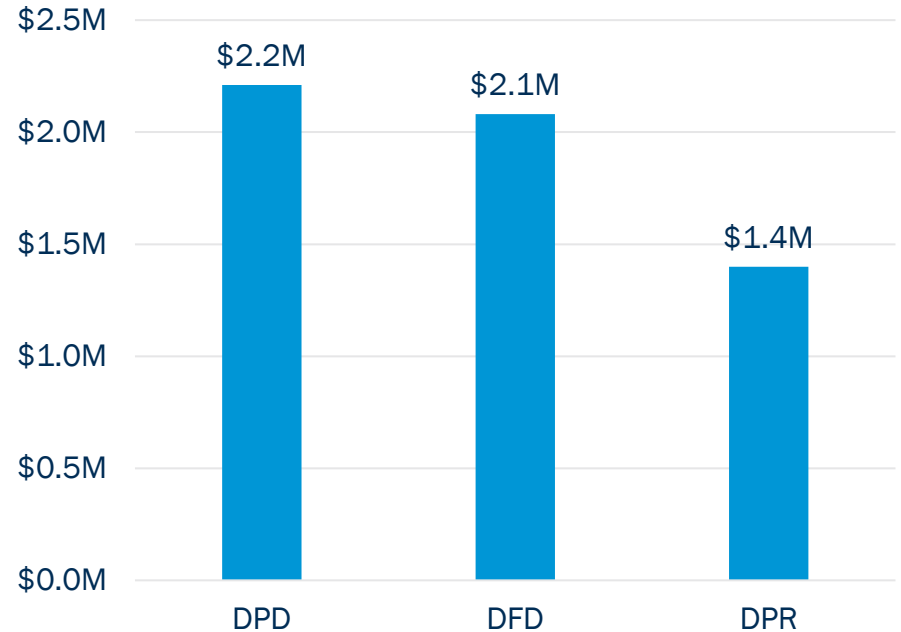


# \$77 Million Cut in Contracts, Services, Supplies

- Saving nearly \$10 million in tech contracts, upgrades and subscriptions
- Saving \$8 million by finding non-credit card based payment systems
- Saving \$11 million eliminating all leased hotel shelters
- Negotiating a 2.5% reduction in our tech liability insurance premiums with no decrease in policy terms
- Switching to postcards instead of a letter for property tax statements
- Reducing marketing campaigns for marijuana prevention, Be a Smart Ash, and job recruiting
- Consolidating entry points at city facilities

# Revenue Additions

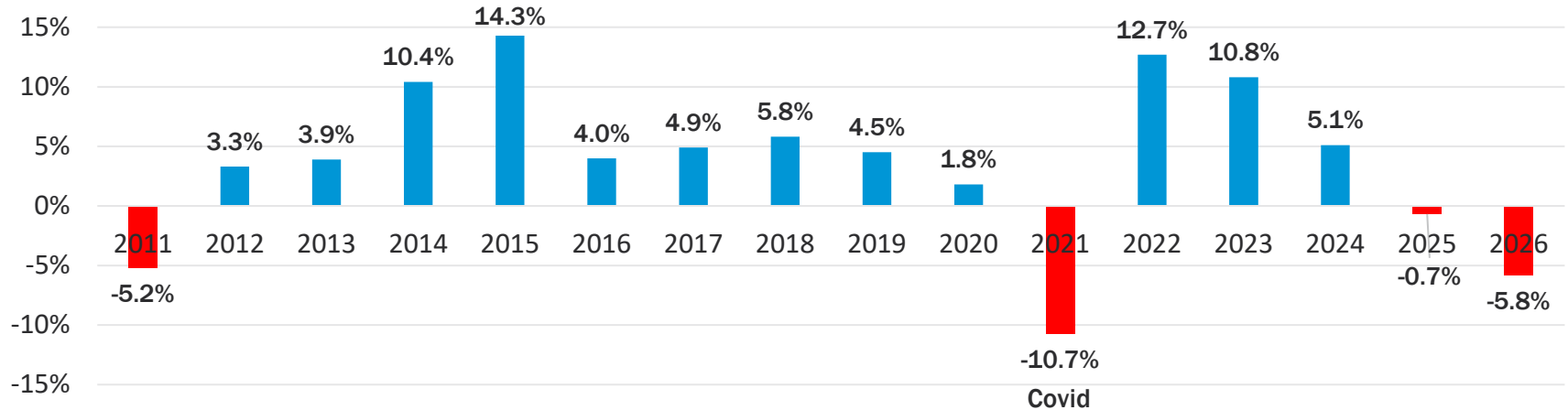
- **\$1.4M – Parks & Rec:** Decrease annual membership sale discount, increase in-house adult sports leagues, and offer new greenhouse rentals
- **\$2.1M – Fire:** New inspection services for conveyances and other permits
- **\$2.2M – Police:** Promote traffic safety on roads by increasing photo radar enforcement



# 2026 General Fund Expenditures

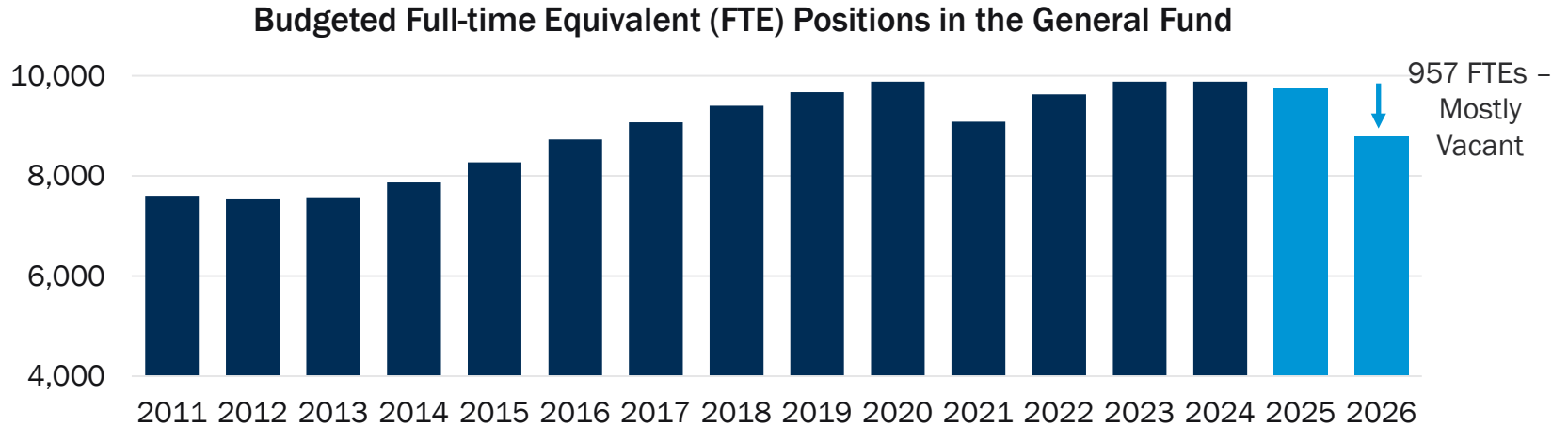
Our 2025 budget was the first in over a decade to intentionally reduce the growth and size of government.

In 2026, our operating budget will decrease by almost 6%.



# Curbing Personnel Growth

This is the second year in a row we have reduced personnel in the General Fund, mostly through eliminating vacant positions.



Note: Across all funds, city personnel declined by 982 positions to 13,914 FTEs in 2026.

# What We Protected

- Protected core customer services, including maintaining operating hours at recreation centers, pools, permit and licensing counters, and similar facilities
- No changes to trash collection, street sweeping, or snow plowing
- No reductions to police officers
- No change to our 180-day development permit review time
- No cuts to employee health or retirement benefits
- Protected cold weather shelter for our most vulnerable residents in the coldest months
- No new taxes or fees

# Top City Priorities

- General fund allocation remains flat for HOST
  - \$33 million in reductions across multiple funds:
    - \$11 million closures of leased hotels and a micro-community
    - \$11 million reprioritization of TRUA
    - \$11 million reduced in funding for federal and state vouchers
- Preserved general fund allocation for Safety agencies
  - Safety agencies absorbed \$27 million of growth through:
    - Civilian and uniform vacancy savings
    - Elimination of one fire class (DFD currently at full-authorized strength)
    - Collective bargaining offsets to absorb pay increases

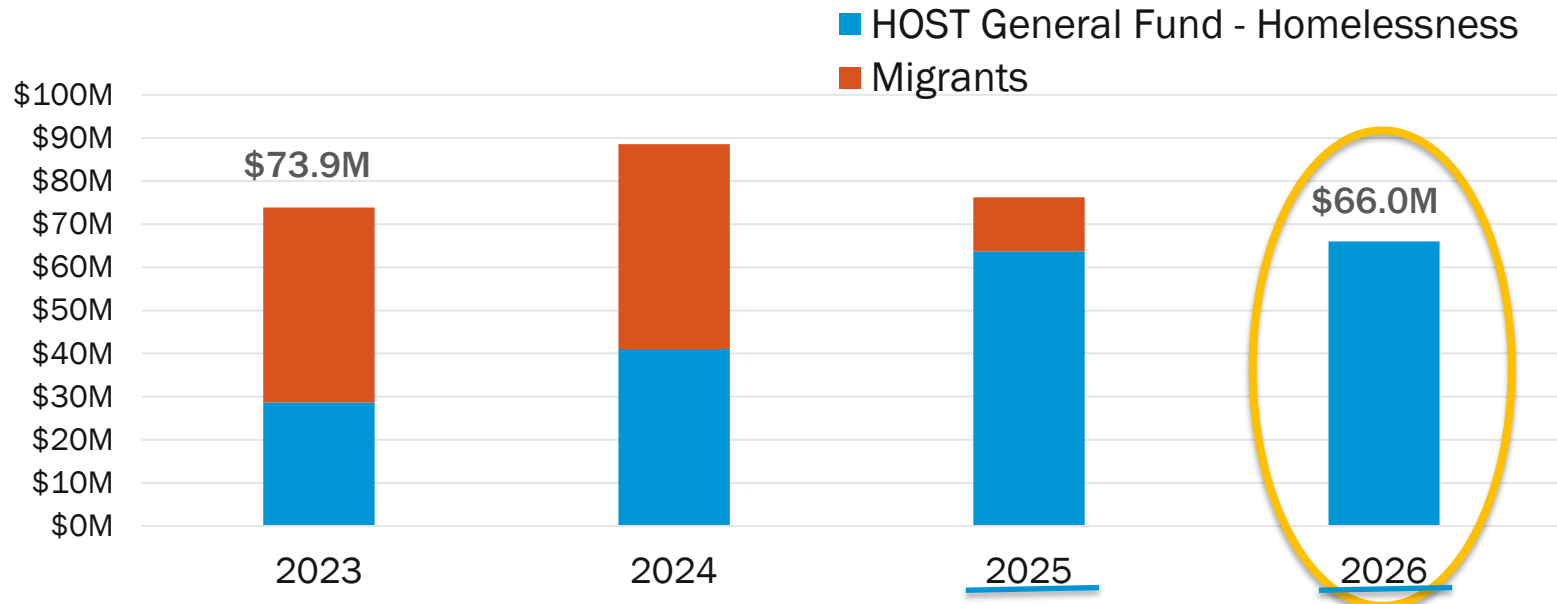
# What We Improved

- Department consolidations:
  - Office of Special Events consolidating with Department of Arts and Venues
  - Human Rights and Community Partnerships consolidating from nine to four divisions
  - Department of Economic Development and Opportunity consolidating from five to three divisions
- Youth violence prevention moving to align with citywide violence prevention strategies
- Tasty Food program moving to align with Public Health's Healthy Food for Denver's Kids program and broader approach to food security
- Consolidating two Parks permit offices into one, while expanding adult sports offerings citywide

# Making Government More Efficient

- Making it faster and easier for small, women- or minority-owned businesses to be certified to work on city contracts
- 311 call center can close at 5 p.m. instead of 7 p.m. now that Sunny chatbot is available online and by text 24/7
- Launching a Permitting Wizard to streamline application intake
- Automated system for creating daily routes for city inspectors
- Improving traffic safety with increased photo enforcement
- Denver Fire to improve the testing process for over 7,000 elevators, escalators, and moving walkways
- Renting out greenhouse space

# General Fund Commitment on Homelessness and Migrant Response Funding



Note: Excludes one-time and restricted funding (such as ARPA and Homelessness Resolution Fund).

# Reserves and Contingency

We will strengthen reserves in 2026 using one-time savings from our Border Crisis Response Fund.

This is the first time since 2022 that we have added to reserves.

General Fund Reserves	\$182 million or 11% of expenditures
General Fund Contingency	\$34.4 million





# Questions?