



MIKE JOHNSTON
MAYOR

CITY AND COUNTY OF DENVER
OFFICE OF THE MAYOR

City and County Building
Denver, CO 80202-5390

p: 720.865.9090
denvergov.org/mayor

Oct. 20, 2025

1437 Bannock Street
Room 451
Denver, CO
80202

Dear Council President Sandoval, Pro-Tem Romero Campbell, and Honorable Members of Denver City Council:

Thank you for your partnership and hard work over the past several months on this budget. As you know, our 2026 budget solves the most challenging fiscal year since COVID and the Great Recession. Like many cities and states across the U.S., we are experiencing the impacts of slowing revenues but rising costs, amplified by a broader landscape of national economic uncertainty, reductions in federal support, and new tariff policies.

Executive Directors of every city agency had to make extremely difficult decisions during this budget process and did so with the aim of preserving the core services Denverites depend upon. We are proud of the thoughtful and strategic work of our city agencies, which have been able to reduce city spending by \$200 million without cuts to major public services.

As a result of this cost-cutting, there was little room to add new programs or initiatives to the city's General Fund without directly impacting existing city services and personnel.

We agree with City Council, however, that several of the proposals you brought forward would be valuable additions to our work in 2026. We've been monitoring our spending carefully, and the only resource of available funds remaining for 2026 is approximately \$4 million in one-time American Rescue Plan Act (ARPA) interest. While it was our intention to preserve ARPA reserves in instances of unexpected project costs or other expenses, we share Council's priorities and will allocate funding accordingly. This is one-time revenue that, once spent, will not be available again in 2027.

In addition, where we were able to address your requests within the city's existing planned 2026 work program and budget, we have done so and have noted that below.

Requests that will be Newly Addressed:

Department of Housing Stability

- Increase Temporary Rental and Utility Assistance (TRUA) Funding (\$7,000,000) to \$15,000,000 in 2026: Before COVID, the TRUA program was only a \$2.5 million/year program. Federal ARPA funding received post COVID allowed the program to expand considerably, but only temporarily.

To ensure the city maximizes its use of remaining ARPA funds, we will add \$2.9 million to TRUA in 2026, funded by ARPA interest, bringing the total available for TRUA in 2026 to \$15.1 million.

Additionally, HOST is using nearly \$2 million from its 2025 General Fund appropriation to continue TRUA support for over 100 households on the current waitlist as well as continuing to support households through December or until this additional funding is fully expended. This brings 2025's TRUA spending to approximately \$16 million.

Denver County Court

- Restore Parking Magistrates (\$575,000): As an independent agency, the County Court has the final authority on whether they restore their Parking Magistrate program. We understand the court's position that this service does not align with their core functions, and we also recognize how critical this service is to residents. In discussions with the County Court, the city has been exploring how to address parking citation disputes as an administrative function outside of the court system. DOTI will create a new administrative parking ticket appeal program without going to court, including absorbing the potential expenses to facilitate the process in the city's transportation and mobility fund, which is funded by parking meter and parking fine revenue.

Human Rights and Community Partnerships

- Restore Immigrant Legal Services Fund (\$125,000): We will put an additional \$125,000 toward Immigrant Legal Services, bringing the total to \$750,000 for this fund in 2026. The additional funding will come from interest the city has earned on its ARPA revenue.

Department of Public Health and Environment

- Fund Denver Food System Summit (\$50,000): This will be funded at \$50,000 using interest the city has earned on its ARPA revenue.

Department of Excise and Licenses

- Maintain Excise Community Equity Fund (\$30,000): The Department of Excise and Licenses' 2026 budget is \$5.9 million, and the agency will adjust its planned spending in 2026 to ensure up to \$30,000 remains available for individual residents and neighborhood groups within the Business License Hearing Fund.

Auditor's Office

- Restore the Base Budget in Auditor's Office (\$499,038): We were glad to meet with the Auditor's Office again this past week. We are working with them on savings proposals they have identified through various audits throughout the past few years and are hopeful this collaboration leads to real savings in future budget years. The Auditor remains on track to underspend their 2025 budget by over \$500,000 and believes they can achieve similar savings in 2026. While the Auditor would still like to add \$499,038 to their 2026 budget (which they would intend to return by the end of 2026), the General Fund does not have the capacity to provide such flexible funds next year. Instead, we will use ARPA interest to add \$120,000 to their 2026 budget, which will allow them to launch a Wage Justice Fund.

Denver Clerk and Recorder

- Fund the Clerk and Recorder for the 2026 Elections: The safety and security of our elections is a top priority, which is why the city has invested millions of dollars over the last several years in

facility improvements and why the 2026 proposed budget allocates more funding than the last midterm election in 2022. Respectfully, while the clerk has suggested polling sites and ballot boxes would need to be reduced under this current proposal, little evidence has been presented that supports the argument that the cost of running an election has risen by more than \$4 million over the last four years, or that services will need to be meaningfully reduced under the proposed budget. Providing millions in new funding to the Clerk when every other department is making cuts would result in even steeper cuts to other programs and personnel. The city is committed to working with the Clerk’s Office to find cost savings and provide support where possible and will use ARPA interest to add an additional \$800,000 to the Clerk’s 2026 budget for the anticipated increase in postage rate, paper and printing costs.

Mayor’s Office

- Move Mayoral Appointee Salaries to Mayor’s Office Budget (No Cost): The revised budget book released today reflects all positions appointed by the Mayor as part of the Mayor’s Office budget, rather than embedded in agencies under the Mayor’s purview. The budget for Mayoral appointees who lead a city agency have remained within that agency’s budget. The Mayor’s Office agrees with Council on this commonsense measure, which improves transparency and corrects a decades-old practice.

In making this move, the budget book now shows the 19% reduction in the total Mayor’s Office budget for 2026, driven primarily by eliminating 11 positions in the Mayor’s Office and among appointees.

Total Mayor's Office Budget

	2025	2026	\$ Change 2025 to 2026	% Change 2025 to 2026
Original Mayor’s Office Budget	2,174,366	1,792,290	(382,076)	-18%
Appointees Budget (Moving to Mayor’s Office for 2026)	7,163,421	5,845,549	(1,317,872)	-18%
Civic Events	887,118	682,739	(204,379)	-23%
TOTAL	10,224,905	8,320,578	(1,904,327)	-19%

Requests Already Budgeted or Underway:

Human Rights and Community Partnerships

- Restore Denver Anti-Discrimination Program Staff (\$75,000) by Hiring a New FTE: HRCP is hiring a position to lead the new Access for All division, with a dedicated focus on the agency’s anti-discrimination work, including education, outreach, and mediation. The city is currently recruiting for this position, and it is budgeted. In addition, HRCP and Technology Services have collaborated to develop a modernized, trauma-informed intake system for discrimination complaints, which will allow for a more efficient intake, eliminate barriers that made the old system difficult for complainants, and ensure quicker resolution.

Department of Safety

- Fill Vacant Crime Lab Positions (\$537,283): These positions were not eliminated in the 2026 budget. The Department of Safety has the budget to hire these positions in 2026 once the citywide hiring freeze is lifted.

Department of Transportation and Infrastructure

- Increase Safe Routes to School Funding (\$2,040,000): Safe Routes to School funding comes from multiple sources, including the city's capital budget, transportation and mobility fund, and state grants. Across all sources, the Safe Routes to School program will have nearly \$2.4 million in new funding in 2026, \$1.3 million of which is from city sources and \$1.1 million is from the state's department of transportation. In addition, DOTI has numerous capital projects funded in the 2026 budget that will have direct impacts on school safety throughout Denver. This includes sidewalk improvements and connections, new traffic signal construction, curb ramp improvements, traffic calming, bike and roll connections to schools, pedestrian crossing improvements, high visibility crosswalks, and flashing lights that enhance safety and access to schools.

Requests that Cannot be Addressed Without Additional Cuts to Existing Services or Personnel:

Department of Housing Stability

- Restore Denver Day Works Funding (\$550,000): The Denver Day Works Program was available for people experiencing homelessness. As the city's broader approach to homelessness has shifted, we are able to leverage Denver Workforce Development, the city's legacy workforce system, which emphasizes serving priority populations, including people experiencing homelessness. Additionally, the city's Department of Economic Development and Opportunity has launched a Rapid Rehousing Workforce Pilot to serve people who have exited an All in Mile High shelter and who are living in a rapid rehousing unit. This pilot, which started in January 2025, allows the city to improve outcome tracking and connects people with training and employment or solely employment, depending on the unique case of that individual.

Department of Public Health and Environment

- Restore STAR Program Funding (\$500,000): STAR has long been an important local program, which we are committed to maintaining. The alignment to the STAR budget in 2026 was arrived at based on actual 2025 spending, which is on track to be at least \$500,000 less than what was budgeted for the program in 2025. The 2026 budget was set to maintain 2025 service levels. Unfortunately, given the city's tight budget, 2026 is not a year where we can expand many programs.

Denver Economic Development and Opportunity

- Continue WorkReady Program Funding (\$600,000): WorkReady was launched at the height of the migrant response and built around providing career training to newcomers who were awaiting the ability to apply for work permits. While those newcomers have been served,

Denver Workforce Development will continue to serve as a free, comprehensive employment and training resource for jobseekers and employers throughout Denver. These services include resume building, addressing employment gaps, identifying transferable skills, interview skills, communication, professional etiquette, job search and retention strategies, networking, job fairs, and more. DEDO has sufficient funding to continue these services in 2026.

Department of Transportation and Infrastructure

- Restore Right of Way Enforcement Funding (\$1,360,000): The city has 40 right-of-way enforcement agents budgeted in 2026, including 12 vacant positions that can be hired when the citywide hiring freeze is lifted. The 17 positions listed in the letter from City Council were additional vacant positions, which have been unbudgeted for 2026. Restoring these vacancies would require that the Department of Transportation and Infrastructure eliminate 17 other, potentially filled positions instead.

Denver Sheriff Department

- Restore Crisis Response Team Positions (\$286,000): Safely managing individuals in mental health crises in custody is a priority and was an important value as the Denver Sheriff Department made difficult choices during this budget process. All deputies are trained on crisis intervention training and mental health first aid, and there are six filled positions who provide core mental health services in our jails. The department also uses a contract with Denver Health to provide initial mental health screening and escalated responses when needed.

In all, despite limited resources, we are able to address 11 of the Council's 16 proposed additions without disproportionately impacting departments or agencies, for a total value of \$11.3 million out of the \$18.7 million requested. We are grateful for the continued partnership of this body and look forward to a strong and collaborative 2026.

Sincerely,

A handwritten signature in black ink that reads "Mike Johnston". The signature is stylized and cursive.

Mike Johnston
Mayor