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Date: September 8, 2026

TO: Board of County Commissioners

FROM: Armando Guardiola, Chief Financial Officer
Ben Pearlman, Interim County Administrator

RE: Additional Budget Reductions for 2027

PURPOSE

The purpose of the work session on September 15, 2026, is to seek initial guidance from the Commissioners on potential General Fund budget reductions for Elected Offices and budget reductions in all other county funds to include in the recommended budget presentation scheduled for 1 p.m., Thursday, October 1. A public hearing on the recommended budget is scheduled for 9 a.m., Thursday, October 22.

BACKGROUND

In March 2025, the Office of Financial Management (OFM) met with the Commissioners to seek direction on financial modeling that showed a $30-40M ongoing structural deficit in the General Fund. Aligned with the Commissioners' Strategic Priority of Good Governance, the Commissioners directed staff to propose reductions over the next three budget cycles, 2026-2028, to eliminate the deficit. OFM worked with the Commissioners to prepare 2026 Budget Preparation instructions, identifying the need for $13.2M in General Fund budget reductions for the first of the three budget years.

In March of this year, a financial analysis performed by OFM revealed that previously made reductions, combined with the VSIP program and a limit on new funding requests, had a significant positive impact on the General Fund deficit curve. This news allowed the Commissioners to reduce the future reduction target to $13.2 million overall and resolve the structural deficit in 2027. The direction was to aim for a 70/30 split between personnel and operating budgets, resulting in a General Fund reduction target of $9.24 million for personnel and $3.96 million for operations.

OFM published 2027 Budget Preparation Instructions to departments and offices at the end of March, using a Priority-Based Budgeting (PBB) framework. Since that time, departments and offices have been working through the PBB framework to develop General Fund reduction recommendations.

PBB identifies potential budget reductions in a structured and transparent manner. Using a standardized scorecard, each program was evaluated based on legal mandates, public safety and risk reduction, alignment with Board strategic priorities, community impact and equity, cost recovery, and measurable performance outcomes. Departments then developed reduction proposals categorized as Tier 1 – Efficiency, Tier 2 – Service Reduction, and Tier 3 – Program Elimination.

While the PBB scoring clarifies the relative priority of program spending in the General Fund, it is not intended as a precise formula for determining reductions.

Departments and Offices used both PBB information and considered operational efficiencies, vacancy management and other reduction opportunities made possible by changes in technology, workflows or other circumstances. These types of considerations enable fewer direct service reductions for community members, as well as fewer layoffs of county staff. They also are a practice that should be repeated annually, regardless of whether a budget deficit is present in the General Fund.

On August 4, 2026, the County Administrator presented proposed revenue enhancements, countywide expenditure reductions, and department-specific Priority-Based Budgeting recommendations for the 2027 budget consistent with the County's strategic approach to addressing the structural budget deficit.

Summary of Proposals Considered on August 4, 2026

Proposal Category	Department	Ongoing Personnel $	Ongoing Operations $	Full-Time Equivalent Count
Exclude from the Recommended Budget	Community Services	330,000	1,250	3.00
	Public Works	407,000	275,000	3.00
	Category Subtotal	**737,000**	**276,250**	**6.00**
To Be Reconsidered	Commissioners' Office	356,122	89,000	2.00
	Parks and Open Space	60,500	-	-
	Category Subtotal	**416,622**	**89,000**	**2.00**
Include in the Recommended Budget	Commissioners' Office	-	80,000	-
	Community Planning & Permitting	145,000	320,000	1.75
	Community Services	1,075,577	173,920	8.00
	County Administrator	95,478	105,860	0.50
	Countywide	5,027,000	753,914	19.00
	Housing	-	500,000	-
	Human Resources	315,000	10,000	-
	Information Technology	266,526	250,000	2.00
	Office of Financial Management	249,382	6,000	2.00
	Office of Racial Equity	-	50,000	-
	Office of Sustainability, Climate Action and Resilience	-	250,000	-
	Parks & Open Space	502,652	179,400	3.60
	Public Works	175,722	923,278	2.00
	Category Subtotal	**7,852,337**	**3,602,372**	**38.85**
Total		**9,005,959**	**3,967,622**	**46.85**

Note: Information presented in this table has been updated since the 8/4/26 Work Session to reflect additional follow-up and refinements of the estimated savings.

GENERAL FUND REDUCTION PROPOSALS FROM ELECTED OFFICIALS

The PBB proposed reductions for elected offices total $773,500, including $222,500 in personnel savings, $551,000 in operating savings, and 1.0 Full-Time Equivalent (FTE).

Summary of Elected Office Adjustments and Reductions For FY27			
Reduction Recommendations by Department from Priority-Based Budgeting	**Personnel**	**Operating**	**Full-Time Equivalent**
Assessor's Office	95,000	-	1.00
Clerk and Recorder's Office	64,500	51,000	-
District Attorney's Office*	63,000	-	-
Sheriff's Office**	-	500,000	-
TOTAL EXPENDITURE REDUCTIONS	**222,500**	**551,000**	**1.00**

** One-time savings associated with a six month hiring freeze for an existing vacancy.*
*** Transfer to Offender Management Sales and Use Tax Fund (124)*

Proposal 1: Assessor’s Office – Residential Appraisal - $38,000

Reclassifying and filling two vacant Appraiser II positions at the Appraiser I level, is anticipated to reduce the Assessor's Office salary budget. Eliminating one or both positions would result in increased staff workloads, reduced attention to detail, heightened the risk of property appeals and missed value changes affecting tax revenue, and contributed to staff burnout.

Proposal 2: Assessor’s Office – Land/Ag/Apartments Appraisal - $57,000

This is a proposal to eliminate a vacant position responsible for data collection and field work on agricultural, vacant land, apartments, natural resource and mineral accounts. The estimated cost of salary and benefits for this position in 2027 is $107,000.

The elimination of this position would result in moving this work to other data collectors or to appraisers which will create increased workloads and potentially result in data not being collected and field work not being completed. To mitigate the impacts of this reduction the Assessor's hourly budget will be increased by $50,000 so that temporary staff can be hired to handle work left unassigned by eliminating this position.

Proposal 3: Clerk & Recorder’s Office – Office Management and Administration - $24,300

This proposal would eliminate leadership coaching for managers that is currently provided through an outside vendor.

Proposal 4: Clerk & Recorder's Office – Elections - $66,200

One potential cost saving measure identified was a $3 reduction in the hourly pay rate for election judges. This would bring their hourly rate down from $21.44 to $18.44, which could result in lower morale and affect those who depend on the work for extra income.

Additionally, a redundant software tool can be eliminated once existing county tools are confirmed to meet business needs for access control and data protection.

Proposal 5: Clerk & Recorder's Office – Elections Outreach - $25,000

This proposal would significantly reduce the Election Divisions current $30,000 advertising budget for voter outreach. This change would mean that some voters will lose the ability to access election/voting information in locations or via methods that best suit them.

Proposal 6: District Attorney's Office - $63,000

This proposal would delay filling the vacant 0.50 Deputy District Attorney position until July 2027, generating an estimated one-time General Fund savings of $63,000.

Proposal 7: Sheriff's Office – Jail Inmate Services- $500,000

This is a proposal to relieve some of the burden on the General Fund by reallocating a portion of the Jail's medical services budget to the Offender Management Fund.

These expenses are eligible uses of this dedicated sales and use tax revenue stream and current revenue projections in this fund can support the additional costs.

Reduction Proposals for the Dedicated Resources Fund

The Dedicated Resources Fund is utilized to manage grants and other restricted funding sources at the county that must be used for designated purposes or in accordance with legal requirements. The fund is supported almost entirely by intergovernmental revenue; however, General Fund subsidies are provided to address funding gaps in Headstart, Mental Health, Community Action, Victim Assistance, and Workforce programs.

Proposal 1: Community Action Program Manager — $154,000

This is a proposal to eliminate a currently vacant position that was previously responsible for managing Community Service Block Grant Funds and programs such as Cultural Brokers (CBP), People Engaged in Raising Leaders (PERL), and Personal Investment Enterprise (PIE).

Moving forward with this proposal would also allow for a reduction in the $93,837 General Fund subsidy for this division.

Reduction Proposals for the Health and Human Services Fund

This fund provides supplemental support through a dedicated property tax for health and human services programs such as those that help people find and keep jobs; provide mental health care; turn at-risk teenagers away from criminal behavior; provide services for senior citizens; provide immunizations; and provide services to protect children from abuse and neglect.

Proposal 1: Juvenile Assessment Center — $118,000

This proposal reflects the estimated annual impact that a reduction in Juvenile Assessment Center operations will have on the Health and Human Services fund. This change was presented previously at the August 4th work session as part of the Social Services Assessment and will require additional implementation work in 2027.

The Juvenile Assessment Center position elimination would not happen until 2027 when an implementation plan is in place and staff will continue to work on identifying prorated savings for next year as more information becomes available.

Reduction Proposals for the Sustainability Tax Fund

The Sustainability Tax Fund is currently experiencing a structural deficit of more than $1.6 million, placing the fund under ongoing financial pressure.

This structural deficit is primarily the result of flat sales tax revenues while programmatic and personnel costs have increased over time. Staff have actively worked to reduce programmatic expenditures through priority-based budgeting (PBB) to help address the structural deficit while preserving funding for the highest-priority programs.

Despite these challenges, the fund is still projected to end 2026 with a healthy fund balance.

Proposal 1: EnergySmart — $400,000

Given the PBB scores and potential alternative revenue sources, this is a proposal to reduce the EnergySmart program funding that supports sustainability projects for the three housing authorities across Boulder County. This reduction would leave $200,000 available to support housing authority projects. If sales tax revenues increase, restoring this funding would be a priority given the program's significant climate impact.

Proposal 2: Climate Equity Fund — $200,000

An additional reduction is proposed for the Climate Equity Fund, OSCAR's newest program, which received a lower PBB score. On August 4th, the board expressed support for an additional $250,000 reduction to funding for this program in the General Fund. This reduction would leave $1,550,000 in annual funding countywide for the Climate Equity Fund.

Proposal 3: Environmental Education — $45,000

This is a proposal to eliminate the Eco-Cycle environmental education contract, which OSCAR has traditionally supported. Eco-Cycle could potentially seek resources through the Climate Equity Fund and/or the Resource Conservation Division.

Proposal 4: Climate Communications — $35,000

Centralizing communications and new grant funding will save $35,000 in climate-related communications costs.

Proposal 5: Resource Conservation Division — $100,000

Staff are proposing a $100,000 reduction in sustainability tax funding for programs such as the Circular Economy Fund and Community Spring Clean Ups which are Managed by the Resource Conservation Division. The division has potential new revenue streams, including the Extended Producer Responsibility (EPR) program, that could help offset this reduction.

Proposal 6: Mobility for All — $150,000

The Mobility for All program has not spent its full programming budget and this adjustment would right-size its sustainability tax allocation to better align with actual program needs and expenditures.

Reduction Proposals for the Fleet Services Fund

This internal service fund accounts for the expenditure and revenues associated with the maintenance and repairs and fuel for county vehicles. This fund generates revenue through charge-back billings to county departments.

Proposal 1: Decommission 2 Fuel Sites — $25,000

Boulder County operates and maintains seven fuel sites that must meet the State of Colorado's compliance requirements. Two out of the seven fuel sites have been identified as underutilized (Justice Center and Alaska Ave), and both sites are at the end of their usable lifespan being over 30 years old. For these reasons both sites are recommended for decommissioning and removal.

Impacts on users are anticipated to be low to moderate at both locations. The alternative for Justice Center is the Boulder County Jail or the Longhorn Road Maintenance shop which are both within 5 miles of the Justice center. Alaska Avenue users in Longmont can get fuel at the Open Space and Transportation Complex location which is 3 miles away.

Reduction Proposals for the Health and Dental Fund

This internal service fund that accounts for employee health and dental insurance plans as well as other contracted benefit costs. Revenues into this fund come from the employer's share of the health and dental insurance plan and payroll deductions allocated to the employee share of the health and dental insurance plan.

Proposal 1: On-site Flu Clinics — $20,000

This is a proposal to eliminate on-site flu shot clinics that are currently offered as a service for employees at a variety of county facilities.

NEXT STEPS

After receiving your guidance at the work session, staff will move forward to prepare a recommended budget, which will be presented on Oct. 1. The reductions would be effective for the 2027 budget.