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# 2024 Mid-Year Budget Changes

Finance & Governance Committee  
Department of Finance  
April 16, 2024

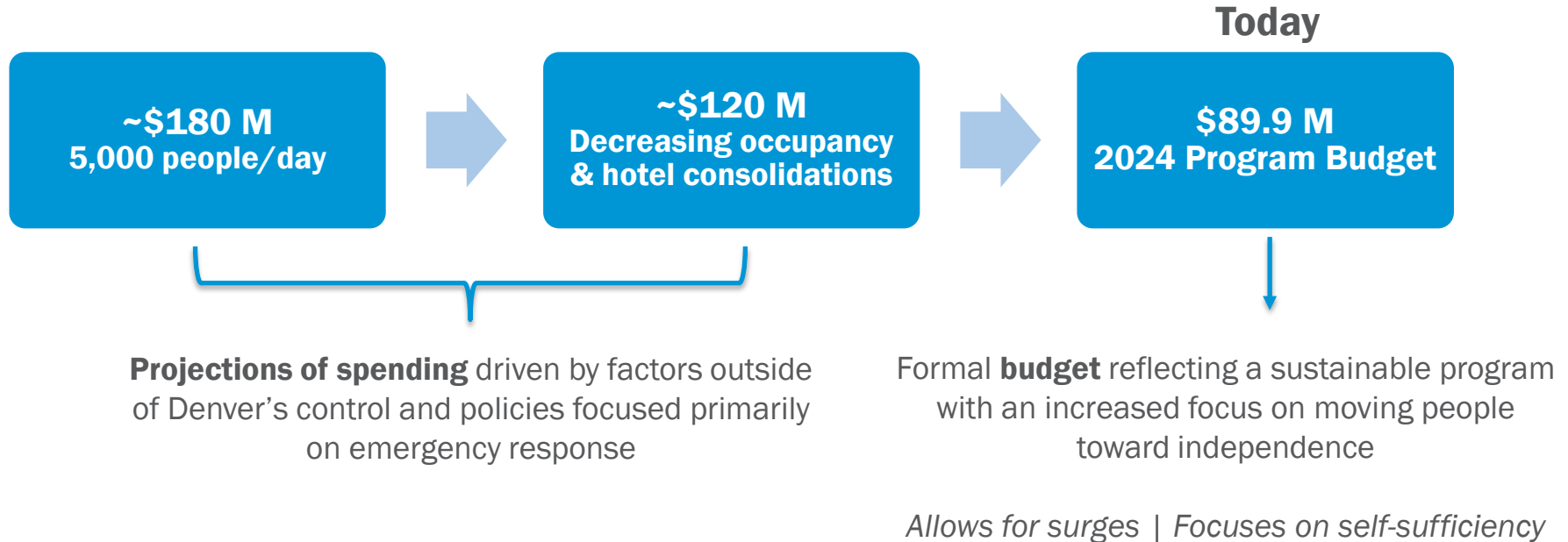
# Council Actions

Two actions:

- Bill Request 24-0501 | Rescissions from General Fund and other funds to transfer cash to the Border Crisis Response special revenue fund (SRF)
- Bill Request 24-0499 | Reappropriations within the Capital Improvement Program to support the capital needs for the Newcomer Program



# Creating a Newcomer Program



# Newcomer Budget

- This budget is for the full year
- \$25 M / quarter for Q1 2024
- With new program, reduced expenses of \$15 M / quarter for Q2 – Q4 2024
- Unused funds will roll over to 2025
- Denver Human Services will have oversight for this budget. Additional agencies will have a role managing program elements.

<b>Program Administration</b>	<b>\$3.0 million</b>
<b>Shelter &amp; Housing Mix</b> Includes operations, meals, staffing, security, and supplies for congregate, non-congregate, and temporary options	<b>\$51.7 million</b>
<b>Supportive Services</b>	<b>\$9.7 million</b>
Case Management (includes work authorization and asylum clinics)	\$6.2 million
Workforce Training	\$3.6 million
Transportation	\$6.0 million
<b>Subtotal Program Budget</b>	<b>\$70.4 million</b>
One-time Capital Costs	\$9.5 million
Contingency	\$10.0 million
<b>Total</b>	<b>\$89.9 million</b>

# Funding Plan

	Amount	Description
<b>Total Needed in 2024 (including one-time capital and contingency)</b>	<b>\$89.9 M</b>	<b>2024 Newcomer Budget Total</b>
Rollover from 2023	(\$8 M)	Starting 2024 balance in Border Crisis Special Revenue Fund
Transfer from Denver Human Services	(\$2 M)	Approved by City Council in the 2024 city budget passed in November 2023
FEMA - SSP	(\$9 M)	Federal reimbursement
General Fund Contingency	(\$10 M)	Approved by City Council in February 2024
Castro building fund	(\$15 M)	Approved by City Council in February 2024
<b>Subtotal of available funds</b>	<b>(\$44 M)</b>	
<b>Total Remaining Need</b>	<b>\$45.9 M</b>	For consideration by City Council in April 2024. Detailed on subsequent slides.

# Budget Philosophy

- Ensuring changes are legally and financially sound
- Close partnership with the Office of Social Equity & Innovation throughout the process
- Preserving agencies' core services and missions
- Prioritizing flexibility for agencies (e.g., scaling proposals)
- Preserving jobs and financial stability for employees
- Focusing on funding that could be available by May 2024

# Council Feedback from February Briefings

## Essential Services

- Trash
- Street maintenance
- Safety recruit classes
- Park restrooms
- Libraries
- Shelter & housing
- Recreation centers
- Neighborhood safety

## Equity Considerations

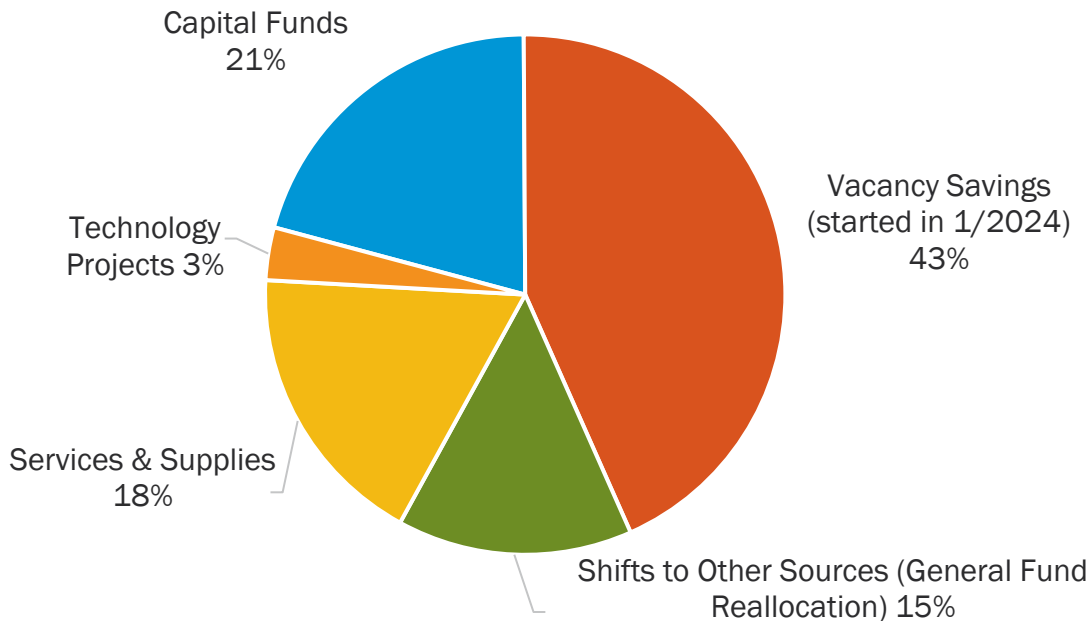
- Avoiding furloughs and layoffs
- Maintain youth, family & senior programming
- Maintain rental, energy, and food assistance programs
- Maintain Denver Health & immigrant legal services funding
- Maintain pedestrian & traffic safety

## Economic Revitalization

- Bond projects
- Permitting process
- Downtown investment
- Completing on-track infrastructure projects

# Budget Adjustments

Personnel is ~70% of the city's budget



Vacancy Savings	\$19.9 million
Capital Funds	\$9.5 million
Services & Supplies	\$8.2 million
Shifts to Other Sources (General Fund Reallocation)	\$6.7 million
Technology Projects	\$1.5 million
<b>Total*</b>	<b>\$45.9 million</b>

*\*Categories may not total due to rounding*



# Vacancy Savings

**\$19.9 million**  
**162 city positions**

- This includes \$13.1 million in vacancy savings of CSA positions and \$6.8 million in Uniform vacancy savings (no impacts to recruit classes)
- Capitalizes on savings already generated through Position Review Committee since January
- If new positions are vacated, the agency may choose to hold those vacant instead

## Mitigating Impact on Existing Staff

- Focused on never-hired or hard-to-hire positions
- Staggered hiring dates from summer to the end of the year
- Minimized impacts on workgroups dealing with staffing challenges (e.g., HOST, permitting)

# Capital Funds

**\$9.5 million**

Capital funds cannot be used for Newcomer operating expenses. They would be used for necessary shelter repairs/renovations and the potential purchase of congregate shelter.

Capital Shifts	Impacts
Alameda Underpass (\$2 M)	Comes from a city match for a federal grant not received. Project still has funding from DRCOG and city match
DPD Furniture Replacement (\$1.7 M)	Projects can be deferred
DPD Mounted Patrol Relocation (\$1.6 M)	Project can be deferred
Curb & Gutter Maintenance (\$1.1 M)	No impacts. Wastewater Fund will absorb this work.
DOTI Capital Maintenance (\$842,000)	Comes from traffic signal projects that have been completed. Traffic signal infrastructure and maintenance program still has \$21.1 M available.
Roadway Alignment Studies (\$710,000)	Projects had either already been canceled or can be deferred
Grant Matches (\$693,000)	No grants currently identified or grant not received
La Alma Park Pool Contingency (\$477,000)	Project is complete
Freight Study (\$375,000)	Project can be deferred

# Services and Supplies

**\$8.2 million**

- Service and supplies reductions built upon the reduction already taken in 2024 to create additional funding for rental assistance
- Common themes of these reductions:
  - Funds not expected to be spent in 2024
  - Less (or no) travel in 2024
  - Reduced budgets for professional development and training
  - Reduced budgets for marketing and communications
  - Reduced budgets for administrative supplies and program overhead

# Shifting to Other Sources (General Fund Reallocation)

**\$6.7 million**

Agency	Item	Savings
Denver Police	DEN covering cost of a recruit class to provide officers at DEN	(\$3.1 M)
Denver Fire	Reallocate positions to the Wildland Fund	(\$1.2 M)
Dept. of Safety	Emergency communications technicians (911 operators) to the 911 Trust Fund	(\$1.2 M)
Dept. of Public Health & Environment	Partial reallocation of staff and allowable supplies/services to various health grants	(\$684,000)
Dept. of Economic Development & Opportunity (DEDO)	Reduction in General Fund transfer to Construction Careers Fund (\$5 M in fund, \$2.9 M still being transferred in 2024)	(\$210,000)
Office of Children's Affairs	DAA contracts to Donations Special Revenue Fund (SRF)	(\$118,000)
DEDO	Contract administrator to Grants	(\$105,000)

**\$1.5 million**

# Technology Projects

We identified several technology projects that were no longer active or necessary, but that still had budget associated with them.

Project	Savings	Consideration
DPD Early Intervention System and Subpoena System	\$1 million	Will use existing platforms to provide these services
Dept. of Safety eWarrant Project	\$324,000	Project is no longer active
Technology Services (multiple)	\$200,000	Reduction in licenses and applications that are under-utilized

# Contingency and Emergency Reserves

<b>Original 2024 Contingency</b>	<b>\$34,203,000</b>
Approved Supplemental – Newcomer Program	(\$10,000,000)
<b>Current Available</b>	<b>\$24,203,000</b>

<b>2024 Projected Emergency Reserves</b>	<b>\$262,754,000</b> <b>15%</b>
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## 2024 Contingency Needs:

Collective bargaining, utilities, snow events, implementation of new ordinances, etc.

## Fund Balance Needs:

To support our 2025 budget in case of expected softening revenue; final reserve amount available after single audit

# Next Steps

1st Reading April 22

Newcomer Program Presentation @ Safety Committee April 24

2nd Reading April 29

(If approved) Funding Available by May 10

2025 Budget Kick-off @ Budget & Policy Committee April 29



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# Appendix



# Newcomer Shelter & Housing Mix

- Supports a mix of options that meet different needs for different groups

Short-term stays

## Congregate Shelter

Capital, leases, utilities <i>(includes one-time capital costs)</i>	\$9.7 million
Staffing	\$2.2 million
Security	\$2.1 million
Meals	\$1.5 million
Services & Supplies <i>(shower/toilet rentals, trash, laundry services, blankets)</i>	\$0.7 million

Primarily supports families and WorkReady\*

## Non-Congregate Options

Leases, utilities	\$21.1 million
Staffing	\$5.8 million
Meals	\$4.6 million
Security	\$2.7 million

## Temporary Housing

Leases and operations	\$3.3 million
Staffing	\$5.5 million
Security	\$1.2 million
Meals	\$0.7 million

\*Not all units are online today

# Equity Lens

- Close partnership with the Office of Social Equity & Innovation throughout the process
- BMO engaged OSEI to craft required questions for agencies and to obtain guidance on how specific proposals might impact equity and how those impacts could be addressed

## Agencies were required to answer:

1. If implemented, would this have a disproportionate impact on marginalized groups or communities in Denver? If yes, please specify which groups and how they are impacted.
2. Describe opportunities to mitigate this reduction's impact on marginalized communities. What is the timeline for implementing these mitigation opportunities?

# Changes by Agency

Agency	Reductions from General Fund			Reductions in Other Funds	Total \$	Effective % reduction
	Vacancy Savings	Services/Supplies	Shifting to other Funds			
City Attorney's Office	(\$770,225)				(\$770,225)	2.5%
Climate Action, Sustainability and Resiliency	(\$413,465)				(\$413,465)	6.1%
Community Planning and Development	(\$501,527)	(\$633,851)			(\$1,135,378)	2.6%
Denver Public Health and Environment	(\$696,277)	(\$80,000)	(\$684,998)		(\$1,461,275)	1.9%
Denver Economic Development and Opportunity			(\$210,234)		(\$210,234)	2.1%
Denver Fire Department	(\$1,310,368)		(\$1,165,957)		(\$2,476,325)	0.8%
Department of Finance	(\$318,304)	(\$456,250)			(\$774,554)	1.0%

# Changes by Agency

Agency	Reductions from General Fund			Reductions in Other Funds	Total \$	Effective % reduction
	Vacancy Savings	Services/Supplies	Shifting to other Funds			
Dept. of Transportation and Infrastructure	(\$3,000,000)	(\$2,128,468)			(\$5,128,468)	3.8%
Denver Police Department	(\$5,333,045)		(\$3,105,544)		(\$8,438,589)	1.9%
Denver Public Library	(\$941,424)				(\$941,424)	1.5%
Denver Sheriff Department	(\$3,853,831)				(\$3,853,831)	2.2%
Executive Director of Safety	(\$1,008,857)		(\$1,208,496)		(\$2,217,353)	2.4%
Excise and Licenses		(\$95,000)			(\$95,000)	1.3%
General Services	(359,239)	(\$25,000)			(\$384,239)	0.6%
Housing Stability	(\$165,201)				(\$165,201)	0.3%

# Changes by Agency

Agency	Reductions from General Fund			Reductions in Other Funds	Total \$	Effective % reduction
	Vacancy Savings	Services/Supplies	Shifting to other Funds			
Human Rights and Comm. Partnerships	(\$90,662)	(\$46,334)			(\$136,996)	1.7%
Mayor's Office	(\$164,843)	(\$170,312)			(\$335,155)	9.6%
Office of Children's Affairs		(\$114,817)	(\$117,758)		(\$232,575)	2.0%
Office of Emergency Management	(\$149,605)				(\$149,605)	6.6%
Office of Human Resources	(\$242,190)	(\$25,000)	(\$235,916)		(\$503,106)	1.3%
Office of Special Events		(\$2,860)			(\$2,860)	0.2%
Parks and Recreation	(\$714,207)	(\$100,000)			(\$814,207)	0.8%
Technology Services		(\$4,217,502)		(\$200,000)	(\$4,417,502)	4.0%