



Arapahoe County

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Board Summary Report

File #: 25-243

Agenda Date: 5/6/2025

Agenda #:

To: Board of County Commissioners

Through: Michelle Halstead, Director, Commissioners' Office; Todd Weaver, Director, Finance

Prepared By:

Jessica Savko, Budget Manager, Finance; Kendra Davis, Management Analyst, Finance

Presenter: Dan Makelky, Director, Human Services

Subject:

2:00 PM *Human Services 1A Information Session

Purpose and Request:

The purpose of this study session is to provide information to the Board of County Commissioners about the funding realities, needs and wants regarding the Human Services department. This will help inform the County's use of additional 1A funds and the upcoming 2026 budget discussions.

Background and Discussion: During the 2024 General Election, Arapahoe County voters approved ballot measure 1A, which grants the County the ability to remove certain revenue and spending limits imposed by the Taxpayer's Bill of Rights (TABOR). This approval allows Arapahoe County to collect, retain, and spend revenue that exceeds the limitations outlined in Article X, Section 20 of the Colorado Constitution. With this new flexibility, the County now has a unique opportunity to invest in long-term fiscal sustainability, improve service delivery, and address critical needs.

While the County will recognize approximately \$63 million in additional revenue in 2025, future financial projections show a \$20-\$25 million decline in new revenue from 2026 - 2029, which is attributable to state legislative changes and declining property tax assessments. If the county is too aggressive in adding ongoing costs to the budget, the new revenue could be fully utilized within the first five years leading to difficult budget situations in the future. This new revenue will be very beneficial for the county, but it will require budget discipline and an effective planning process to avoid this pitfall. As a result, several strategic goals have been identified to ensure the County remains fiscally responsible to its voters while creating a foundation for future

growth and stability. Those goals include:

- **Address the County's essential needs** (under-resourced "have-tos" and the "should-dos" we've not been able to implement).
- **Extend the 1A funding** beyond a 5- to 10-year horizon.
- **Demonstrate measurable success and manage community expectations.**
- **Position Arapahoe County for consideration of additional ballot measures** within 4-6 years to address larger needs.

To achieve these goals, Arapahoe County will need to take decisive action, engage stakeholders across the organization, communicate effectively with the community, and ensure sound and transparent finance management, all while ensuring long-term fiscal sustainability. The Board developed a plan designed to lay the groundwork for long-term success, which included the following action items:

- Review and update the strategic plan (completed).
- Develop a 1A Resident Advisory Committee (appointed April 22, 2025).
- Identify operational gaps and levels of service (May 5 - June 23, 2025).
- Identify one-time needs and strategic approach (ongoing).
- Review and restructure the 2026 budget and CIP processes (in progress).
- Address structural financing considerations, including special funds across the County (in progress).

This and subsequent 1A sessions will be informational and identify operational gaps and current levels of service for the County's departments and offices. This is an opportunity for the Board to review the presented information and gather a sense of the existing needs and priorities across Arapahoe County. The sessions will set the stage for the 2026 budget process, and any near-term needs identified during the presentations can be considered as part of the broader budget discussion.

Additionally, the presentation includes a 5-year historical snapshot of department and office financial information, including separate funds and FTEs.

Fiscal Impact: N/A

Alternatives: This is an informational session.

Alignment with Strategic Plan:

☒ Be fiscally sustainable

☒ Provide essential and mandated service

☒ Be community focused