

NEWS: POLITICS AND GOVERNMENT

Budget pain hits local governments in Colorado as costs rise, funding shrinks and the federal shutdown drags on

Local governments across Colorado face budget deficits in 2026. Some are tapping their reserves to keep people fed as SNAP benefits lapse.



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In this photo, 66-year-old SNAP recipient Geena Wissman fills her cart at Growing Home food pantry on Tuesday, Sept. 9, 2025 in Westminster, Colorado. (Lucas Brady Woods, KUNC via the Colorado Capitol News Alliance)

The Unaffiliated

All politics, no agenda.

Denver and Boulder County are cutting government spending and laying off workers.

The Summit County Commission is fighting with the local sheriff over spending cuts as it looks to close a \$5 million budget shortfall.

Meanwhile, counties across the state are dipping into their reserves to provide groceries to low-income residents, while the Trump administration **threatens to withhold federal funding for food stamps**.

And all that's before anyone knows what future state and federal budget fights will bring.

"Honestly, we wish we knew," Colton Rohloff, the interim county manager for Clear Creek County, told The Colorado Sun. "We don't know what (funding) we can rely on anymore."

As local governments prepare to adopt their 2026 budgets, local officials across the state are grappling with deficits and growing uncertainty as tax collections level off, grant dollars shrink and costs continue to rise.

The causes vary from place to place.

Some are coming down from a pandemic-fueled high in which soaring property tax collections and federal aid juiced local spending on services — only to see property values level off right at the moment the state legislature cut tax rates. In Denver, Mayor Mike Johnston has suggested that past city leaders simply expanded government services **beyond what its tax base can support**.

Others, subject to legal limits on local tax collections, insist they never had much of a financial boom, despite popular belief. Instead, much of their budget growth was eaten up by inflation and growing demands for public services.

In Boulder County, tax collections **are projected to grow next year** — just not fast enough to keep up with the costs of employee raises and health care. The county spent heavily to increase pay to address staffing shortages during the pandemic. And a 5.5% cap on local property tax revenue limited its ability to add services.



A fine mist descends on the Flatirons as a light rain falls, Tuesday, June 3, 2025, in Boulder, Colo. (AP Photo/David Zalubowski)

“We didn’t have salad days where we were just adding people and spending like drunken sailors,” Boulder County Commissioner Claire Levy said.

South Metro Fire Rescue officials have pointed the finger in part at state lawmakers for slashing property taxes in 2024, which they say cost them \$16 million in revenue. That’s on top of another \$34 million they say they already needed to cover the rising costs of fire equipment and staffing.

On Tuesday, the district’s voters agreed to raise their taxes by 3 mills — a 32% increase — to close the \$50 million gap.

Meanwhile, Summit County is reeling from the property tax cuts and then some.

International tourism has plummeted this year, cutting into a major source of sales tax revenue. Moreover, one of its resort areas recently incorporated into the town of Keystone, siphoning off more than \$6 million in sales taxes from the county coffers.

But even as revenue falls, Summit — like every other Colorado county — is bracing for staffing needs to grow. **The Trump administration’s changes to Medicaid eligibility rules**

are expected to dramatically increase workloads for the local offices that administer the federal health program.

“I think we feel a little like this is the perfect storm of a number of different factors,” Commissioner Tamara Pogue said.

Safety net pressures grow

Colorado is one of only a handful of states that require county governments to administer both Medicaid and the Supplemental Nutrition Assistance Program, or SNAP.

As it is, counties struggle to do so.

In Clear Creek County, a single employee manages enrollment for the 1,500 local residents on Medicaid. Under new federal rules that require eligibility checks every six months rather than once a year, county Human Services staff expect the workload to double.

“It won’t be manageable with one worker,” Sarah Cassano, the county’s director of Human Services, said during a recent budget hearing. “The work that our one worker is doing now is barely manageable — she worked 260 hours of overtime last year. It won’t be possible for her to keep up with this.”



Downtown Idaho Springs on Monday, Dec. 9, 2019. (Jesse Paul, The Colorado Sun)

The state chips in for administrative costs — but not enough to cover everything, said Pogue, the Summit County commissioner. The county already supplements what it gets from the state with about \$1 million a year in local funding, she said. Next year, the county is looking to add four more positions to handle the extra work.

The more pressing problem is what to do about SNAP, which provides money to low-income households to spend on groceries. Despite court orders directing the Trump administration to continue funding the program, **millions of Americans are expected to see their benefits delayed or reduced** this month — if they receive any at all.

Charities across Colorado have tried to pick up the slack, but in small towns and mountain communities, food pantries are already stretched thin. Federal layoffs have **eliminated hundreds of jobs** in Colorado, many of them **tied to public lands**, and government furloughs are stretching into their second month as the shutdown drags on.

“Our system is already overwhelmed,” Pogue said. “It’s been overwhelmed now for at least six months.”

The state legislature's Joint Budget Committee recently **approved \$10 million in stopgap funding**, but it won't go far. Colorado counties would normally receive \$120 million a month in food assistance from the federal government.

Some counties are relying entirely on donations to address the need. Others are tapping their reserves to buy groceries for low-income residents. That includes places like Summit County that were already facing budget deficits heading into next year.



Lake Dillon with the Gore Range in the background seen on Friday, July 10, 2020, near Dillon. (Hugh Carey, Special to The Colorado Sun)

Summit County commissioners this week approved spending up to \$200,000 to keep SNAP benefits flowing to recipients at 45% of normal levels. In Teller County, officials are treating the crisis like they would a wildfire, mobilizing emergency staff to handle logistics and deliver food to people in need.

“We have older people cutting pills in half, skipping meals,” said Dan Williams, who chairs the Teller County Commission.

When letters first went out warning of reductions in SNAP benefits, Williams said he received 20 to 30 calls a day, many of them from seniors who rely on a mix of Social

Security and the federal food payments to survive.

“I’ve seen shutdowns, but I’ve never seen food used as a bargaining chip,” said Williams, a Republican. “We’re just not going to let that happen up here.”

Uncertainty clouds 2026

Not everyone’s feeling the pain — at least not to the same degree.

In Arapahoe County, voters did not opt out of the state’s Taxpayer’s Bill of Rights spending cap until **the 2024 election**, so its budget has been more constrained than many of its Front Range counterparts. As a result, next year’s budget is set to grow more than it would have in years past.

In Clear Creek County, budget deficits are nothing new. The county government has been cutting back since 2015, when the Henderson Mine **announced it intended to shut down** within three to five years. The mine remains open, now scheduled to close in 2026.

“We’ve been in a recession budget mind for 10 years,” Rohloff said.

But that doesn’t mean this budget cycle’s going to be easy — or that Clear Creek’s 2026 budget won’t be revised after commissioners pass it later this year. Too much of what the county plans to spend is connected to federal and state policies that seem to change by the moment.

Earlier this year, state budget writers eliminated nearly \$140 million in funding for local governments. Next year’s spending plan is looking just as grim, with budget analysts projecting the state could need another **\$850 million in spending cuts** in the 2026-27 fiscal year.

If history is any guide, some of it will come out of local services.

“This budget is not going to end in December for us,” Rohloff said.