

MEMORANDUM



JOINT BUDGET COMMITTEE

TO Members of the Joint Budget Committee
FROM Justin Brakke and Gustavo Cortes, JBC Staff
DATE March 19, 2024
SUBJECT Colorado State Patrol-Highway User's Tax Fund (HUTF) appropriations growth cap and use of General Fund for salary increases

Key Takeaway: The Department expects that \$2,259,623 General Fund will be appropriated in the *Salary Survey* line item to pay for salary increases for the State Patrol. This amount would normally be supported by HUTF, but HUTF appropriations to the Department of Public Safety are currently at the maximum allowed by statute.

Section 43-4-201 (3)(a)(I)(C), C.R.S., limits the annual growth of Highway User's Tax Fund (HUTF) appropriations to no more than 6.0 percent of the appropriation from the previous fiscal year, regardless of any increase or decrease in overall highway-related revenues.

Based on JBC actions to-date, HUTF appropriations to the Department have maxed out the allowable 6.0 percent growth (an \$11,792,103 increase from FY 2023-24). This includes \$1,841,329 for prioritized requests R1 Auto Theft Prevention Authority (\$669,008 and 5.5 FTE), R10 Law Enforcement Recruiting (\$400,569 and 1.8 FTE), and R11 State Patrol Professional Staff (\$771,752 and 7.3 FTE).

However, because HUTF appropriations are at the 6.0 percent cap, the Department expects that \$2,259,623 General Fund (a JBC staff calculation) will be appropriated in the *Salary Survey* line item to pay for salary increases for the State Patrol. JBC staff's total compensation figures show a \$3,248,631 General Fund appropriation for *Salary Survey*. This amount comes from the total compensation request. The Department's figures show a \$5,508,254 General Fund appropriation for *Salary Survey*. **The difference between the two would normally be supported by HUTF.**

The Department initially flagged this issue in one of its (now-defunct) prioritized requests: R16 Highway Users Tax Fund One-time Cap Adjustment. That request sought legislation to raise the 6.0 percent growth cap to 8.0 percent to allow HUTF to support salary increases, rather than General Fund. The proposed growth cap change would have allowed the Department to spend \$3.8 million more HUTF and not spend General Fund in the same amount. However, the Department withdrew this decision item in January through BA7 Withdraw R16 HUTF Adjustment.

The JBC has three options:

- **No action:** Pay \$2,259,623 General Fund for State Patrol salary increases that would normally be supported by HUTF
- **Deny HUTF-funded prioritized requests:** The JBC could apply the savings of \$1,841,329 HUTF to the *Salary Survey* line item and include \$418,294 General Fund to fully support the salary increases.
- **Sponsor legislation:** Increase the HUTF appropriation growth cap on a one-time basis to allow HUTF to support the required \$2,259,623 for salary increases.