



COLORADO

Parks and Wildlife

Department of Natural Resources

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MEMORANDUM

To: Colorado Parks and Wildlife Commission
From: Financial Sustainability Committee
Date: November 26, 2014
Subject: Revenue Concept Discussion

Recent financial projections have shown that Colorado Parks and Wildlife faces a growing challenge with financial sustainability. To highlight this fact, the Parks and Wildlife Commission identified 'Financial Sustainability' as one of its three main strategic priorities. In an effort to proactively address the fiscal challenges facing the agency, CPW and the Commission have recently implemented an across-the-board operating budget reduction and strategic budget cuts totaling almost \$10 million. In addition to addressing CPW's expenditures, the agency has also begun to consider potential revenue generation. For the last two years, CPW has convened a standing Financial Sustainability Committee (FSC) that focuses on developing and evaluating a list of potential revenue-generating concepts. The FSC, which is made up of a cross-section of agency staff, has been working with the CPW Leadership Team to refine the list of revenue-generating concepts that may be considered by the Commission.

At the December 2014 Commission meeting, this refined list of potential revenue-generating concepts will be presented to the Commission for discussion. The attached list includes items that:

- have already been implemented,
- are in the process of implementation,
- are prioritized for consideration by the Commission and
- are in early stages of analysis.

Staff brings these items before the Commission to stimulate discussion and to allow the Commission to provide feedback. Staff is not seeking approval from the Commission for the implementation of these concepts at this time. For any of these potential revenue concepts, extensive public outreach would be necessary. Before engaging in such efforts, staff would like to receive guidance from the Commission on the direction in which you would like to proceed.

It is also important to note that several of the potential revenue concepts on this list would require statutory changes in order to be implemented. Given the importance of engaging stakeholders and the public in any statutory efforts, as well as other legislative priorities, none of these concepts are currently intended for the 2015 legislative session.



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Potential Revenue Concepts
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CATEGORY	IDENTIFIER	REVENUE PROPOSALS	ESTIMATED ANNUAL REVENUE INCREASE	APPROVING AUTHORITY	ADDITIONAL INFORMATION	CONSIDERATIONS
IMPLEMENTED						
Wildlife, Non-Legislative	A.	Non-resident big game-fishing combo license	\$515,000 annually as of FY16-17	CPW Commission	Federal (D-J) funds form a large portion of projected revenue and will be realized 2 years after implementation.	IMPLEMENTED. Commission approved Reg. 201 .B.1. as of 1/2014. Effective 3/2/14. All non-resident big game hunters received an annual fishing license for the 2014 big game season.
Wildlife, Non-Legislative	B.	Increase 'Pay to Play' Fee to \$40 (\$30 for resident deer & pronghorn)	\$1,100,000 annually as of FY14-15	CPW Commission	Increased resident and non-resident Pay to Play fee from \$25 to \$40; Increased resident deer and pronghorn Pay to Play fee to \$30.	IMPLEMENTED. Commission approved changes to Reg. 206 B. 4. H. 1. bb. as of 1/2014. Effective 3/2/14.

IMPLEMENTATION PENDING						
Wildlife, Non-Legislative	C.	Revise Hunting and Fishing License Refund and Reissue Policies	\$120,000 to \$1.3 million. Several options are under consideration.	CPW Commission	This is a <u>savings</u> concept rather than an added revenue stream for CPW.	IMPLEMENTATION PENDING. Internal Task Force formed February 2014 for initial review. Process for review, analysis and recommendations dependent on IPAWS implementation.
Wildlife, Non-Legislative	D.	Create a 'Sportsmen's License Plate' for shooting ranges and angling projects.	\$70,000 annually	Legislative approval (2013)	An online petition of over 3,000 signatures supported the creation of this plate. Initial design concepts were discussed with the Sportsmen's Roundtable.	IMPLEMENTATION PENDING. Next steps include developing a final design for license plate, performing public outreach and producing the plate in conjunction with Dept. of Revenue and Corrections.
Parks, Non-Legislative	E.	Special Activity Fee Increase	TBD	CPW Commission	Recover all administrative costs associated with Special Activities on State Parks and bring fees in line with market rates. Not likely to be a large revenue generator	IMPLEMENTATION PENDING. Fees for special activity application and operational cost recovery will be reviewed in accordance with a revision to CPW's 'Special Activities' Administrative Directive (B-176).

ADDITIONAL CONCEPTS FOR CONSIDERATION						
ADVANCE TO COMMISSION FOR CONSIDERATION	P.2	Increase Camping Fees Across the Park System	\$300,000 (with each \$1 increase in fee)	CPW Commission	The last across-the-board camping fee increase occurred in 2010 with no decline in camping nights observed.	NOTE: 12 'premium' parks have an additional \$2 camping fee already applied.
ADVANCE TO COMMISSION FOR CONSIDERATION	W.5	Reinstate Senior Fishing License Fees	\$1,000,000 to \$1,600,000 (license revenue and federal funds)	State Legislature	Revenue estimates are for \$5 to \$13 fees (a discount of half or more from regular fishing licenses). Additional federal aid revenue would be realized 2 years after implementation.	Could be part of combined '2016 License Fee Legislative Packet'. Extensive outreach necessary. CPW already offers a resident low-income senior lifetime fishing license. This idea had some initial support at the Sportsmen's Roundtable.

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CATEGORY	IDENTIFIER	REVENUE PROPOSALS	ESTIMATED ANNUAL REVENUE INCREASE	APPROVING AUTHORITY	ADDITIONAL INFORMATION	CONSIDERATIONS
ADVANCE TO COMMISSION FOR CONSIDERATION	W.6	Increase Resident License Fees	\$3,800,000 to \$9,900,000	State Legislature	Revenue estimates range from 50% of the 2006 fee increase to 66% over the current fees. These estimates are for main big game species, fishing small, game and combo license fees.	Could be part of combined '2016 License Fee Legislative Packet'. Additional analysis and extensive outreach necessary. The last time resident big game fees were increased was in 2006. This idea had some initial support at the Sportsmen's Roundtable.
ADVANCE TO COMMISSION FOR CONSIDERATION	W.7	Increase \$3 Limited License Application Fee	\$450,000 (with each \$1 increase in fee). Or \$1.3M with a \$10 paper application and \$5 online application.	State Legislature	CO has the lowest application fee in the West. Costs currently exceed revenue from application fees (further analysis pending).	Could be part of combined '2016 License Fee Legislative Packet'. If a differential fee is implemented for online vs. paper applications, this may also reduce the higher costs needed to administer paper applications. This idea had some initial support at the Sportsmen's Roundtable.
ADVANCE TO COMMISSION FOR CONSIDERATION	W.10	Raise Resident License Fees with CPI	\$350,000 per year (with 2% increase in major resident license fees at current license prices)	State Legislature	This could be combined with the Resident Fee Increase Concept.	Could be part of combined '2016 License Fee Legislative Packet'.

FURTHER ANALYSIS PENDING						
SEEK COMMISSION FEEDBACK ON FURTHER ANALYSIS	P.3	Increase Daily Pass Fees Across the Park System	\$700,000 (with each \$1 increase in fee)	CPW Commission	CPW sells roughly 700,000 daily passes annually. The general daily pass fee is currently \$7.	The last across-the-board daily pass fee increase occurred in 2010. Four high-use parks (Cherry Creek, Chatfield, Boyd Lake and Eldorado Canyon) already charge an additional \$1.
SEEK COMMISSION FEEDBACK ON FURTHER ANALYSIS	W.14	Increase Colorado Duck Stamp Fee	\$175,000 annually if fee is doubled to \$10	State Legislature	Current price is \$5. Concept arose from discussions with Colorado Wildlife Heritage Foundation.	Messaging and outreach important, as in other fee increase concepts. Success may partially depend on whether other fee increases are occurring. The federal duck stamp is currently proposed to be raised from \$15 to \$25. This idea had some initial support from the Sportsmen's Roundtable.
SEEK COMMISSION FEEDBACK ON FURTHER ANALYSIS	W.25	Create 'Young Adult' license at discounted price (with option for multi-year license)	TBD	State Legislature	"Student" or "young adult" prices to retain young adults over 15 for fishing and over 17 for small game hunting. Option: create multi-year licenses that could be discounted (e.g., 5-year fishing license from age 16-21 at discounted price).	Not likely to be a large revenue generator; more focused on retaining youth into adulthood. Versions of this have been implemented in Kansas and Utah.