



# COLORADO

## Parks and Wildlife

Department of Natural Resources

Financial Service  
1313 Sherman ST, Room 115  
Denver, CO 80203

### MEMORANDUM

**TO:** Parks and Wildlife Commission

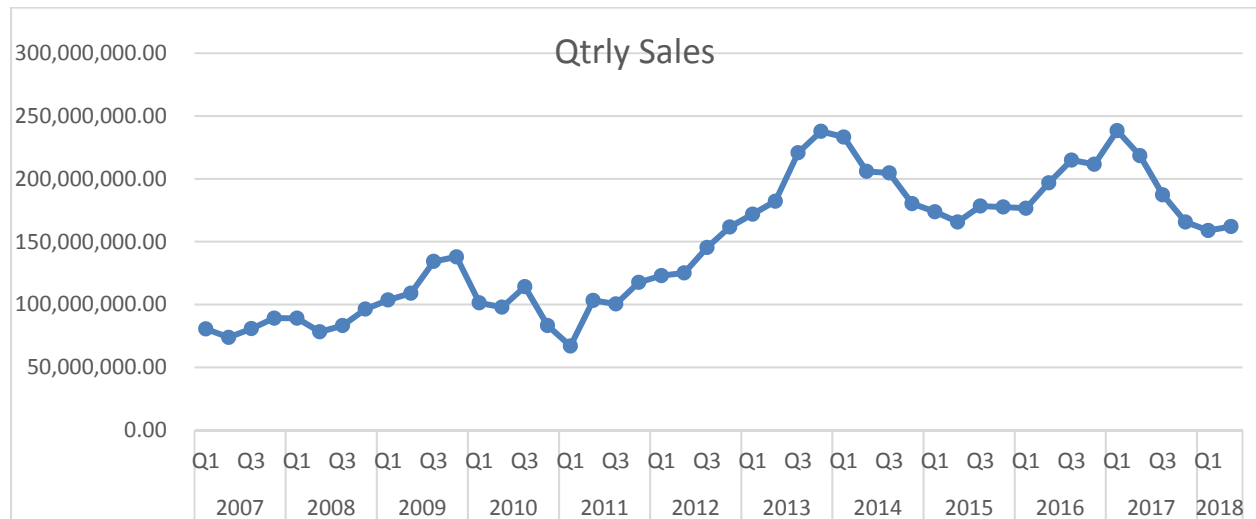
**FROM:** Justin Rutter, Assistant Director for Financial Services

**DATE:** June 7, 2018

**SUBJECT:** Reported Drop in federal excise tax receipts

In May, 2018 the federal government released a quarterly report of excise tax revenues for the Wildlife and Sportfish restoration accounts. These accounts fund the grants that CPW receives from the U.S. Fish and Wildlife Service under the Dingell-Johnson Act (DJ) and Pittman-Robertson Act (PR). In FY 2016-17, funding from these grants accounted for approximately \$23.0 million of Colorado Parks and Wildlife's expenditures (11.4%). Based on the data released, DJ funds in the first half of FFY 2017-18 have increased by approximately 9%. This is in-line with CPW's experience of moderate increases to licensed anglers in Colorado.

However, PR receipts are down nearly 30% year-over-year. Though the second quarter receipts were up slightly over the first quarter, the overall trend is down for the last five quarters.



As will be discussed at the Parks and Wildlife Commission meeting in June, the historical data does not lend itself well to analysis and future receipts are uncertain. If tax receipts level off, FFY 2017-18 is on track to be the lowest year in the past six years, and the sixth highest year of all time. This would result in a drop of Colorado's PR apportionment of over 20%, from nearly 20.0 million to \$15.5 million.



If CPW does in fact see this reduction, it is unlikely to have an impact on operations. Over the last decade, CPW has approached increases in PR funds cautiously, not wanting to start new programs or otherwise be dependent on what could be temporary increases. Additionally, the 25% required match for PR grants has been a constraint to the total amount of grant funds requested. This has resulted in a nearly \$13.0 million "carryover" balance; funds from the previous year that have not yet been obligated. At current expenditure and revenue levels, CPW would be able to use the carryover balance to maintain operations for approximately five years.

CPW will continue to monitor future receipts and will update the Commission as necessary.