



COLORADO

Parks and Wildlife

Department of Natural Resources

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MEMORANDUM

TO: Colorado Parks and Wildlife Commissioners
FROM: Draw Working Group Members
DATE: February 29, 2024
SUBJECT: Draw Process Working Group Recommendations on Primary Draw Methods and Preference Points

At the May 2023 Parks and Wildlife Commission Meeting, the Commission directed staff to form a Draw Process Working Group (DWG or group). The purpose of the group is to analyze our current draw rules and processes in order to identify ways to reduce the complexities and find new solutions/alternatives to fix some of the preference point issues within the Colorado draw system, as well as address biological and sociological concerns.

This memo provides the Commission with an update after the first two DWG work sessions focused on the topics of Primary Draw methods and preference points. This memo will provide a brief summary of the discussion highlights from each work session as well as the **recommendations that were supported by the group**. These recommendations will also be shared with the Commission during an oral panel presentation/workshop at the March Commission meeting.

Topic #1- Primary Draw Methods

The first work session, which focused on Primary Draw methods, took place January 31, 2024 in Denver. During the first part of the meeting, Colorado Parks and Wildlife (CPW) staff presented information and visualizations on different draw types including random draws, preference draws, bonus or weighted draws, and split or hybrid draws (See Appendix A for more details on each). The group then completed an exercise summarizing the benefits and drawbacks to each different draw method/system. CPW staff then presented the draw methods and regulations currently used for running the limited license big game draws in Colorado, including the rules on resident/nonresident allocation, landowner allocation, youth preference, the weighted draw and the hybrid draw.

The remainder of the meeting focused on forming group recommendations on which draw method the agency should use for the Primary Draw in the future and what other draw method rules should be potentially revised. When forming the recommendations, the group kept referring back to the group's vision statement, created during the initial DWG kick-off meeting in October of 2023:

“The Draw Working Group will

- simplify the draw process to be more readily understood by most hunters;*



- *enable reasonable and transparent opportunities for current and future hunters to draw limited and highly-desirable licenses; and*
- *continue to maintain a focus on wildlife conservation and sustainability.”*

The two parts of the vision statement that drove much of the group discussion and building of the group’s recommendations were the notions of “simplicity” and “the ability for all current and future hunters to draw highly-desirable licenses”. To this regard, the **group gravitated towards a split or hybrid draw methodology**, because it allowed both groups of hunters (those with lots of accrued preference points as well as new/novice hunters) a chance at drawing highly desirable licenses. With a split draw/hybrid draw methodology, the quota is split into two separate draw methods, typically with one part having a random component. The group discussed two main types of split draws-1) a preference and pure random split, as well as a 2) preference and bonus points split. **The working group consensus was for a preference and bonus points split because it accounts for accrued preference points in both splits.** This type of split system rewards customers who have been applying in the system for a long time, while also still having a random component for young and novice hunters in the bonus points (names in the hat) part of the draw.

The group was also supportive of **making the new split or hybrid model more simplistic and easier to understand than our current hybrid draw model** by removing some of the existing complexities. Those current complexities include:

- A minimum number of accrued points required for an applicant to be included in the hybrid draw
- Not all hunt codes for each species are included in the hybrid draw
- Not all species are included in the hybrid draw
- The rolling 3 year average for determining high vs. low demand hunts creates inconsistency in which units are included. The group supported getting rid of the differentiation between high demand and low demand hunt codes altogether.

In addition to including all species hunt codes in the hybrid draw (not just high demand), the group also **recommended using a similar draw system across all, if not most, big game species for the Primary Draw.** Bighorn sheep, mountain goat and moose draw recommendations were not formulated during this work session, as work session #3 will focus on those draws in detail. However, for deer, elk, bear and pronghorn, the group was supportive of using one draw method consistently across all four species.

The percentage of licenses allocated to each split (preference vs. bonus) was discussed during the second work session due to time constraints during the first work session. **The group consensus was that a 50/50 split would be the easiest for the public to understand and would ensure that even hunt codes with low quota would have a random draw component.**

The group also discussed resident/nonresident allocations during the second work session. As mentioned previously, **the group unanimously recommended one residency allocation split across all deer, elk, bear and pronghorn hunt codes** (no high demand). While there was not complete group consensus on what that residency allocation percentage split should be, **the**

majority of the group agreed upon a 75/25 split between residents and nonresidents (consistent with staff's preferred recommendation for 2024). Sheep, goat and moose residency allocations will be discussed during work session #3.

The residency allocation discussion also spurred dialogue on how the residency allocation rules would apply to the new split/hybrid draw group recommendation. In particular, members wanted to ensure that even nonresident applicants would get an opportunity to draw licenses during the random bonus point part of the draw, and that they would not be excluded based on meeting their caps in the preference point part of the split draw. To guarantee this opportunity, the group agreed to include **a rule that no more than half of the resident or nonresident soft cap should be included in the preference half of the split draw.**

Youth allocations and the Secondary Draw were also both addressed as a part of the draw methods discussion. **However, the DWG did not recommend changes to either youth preference or the Secondary Draw.** The DWG wanted to wait and see the outcomes of the other Primary Draw modifications (if supported by the Commission) before making additional tweaks to youth preference. The DWG also felt that the new split draw method would only improve draw odds for youth with the new random component and the group was supportive of improving or maintaining limited license draw opportunities for youth. Additionally, with the Secondary Draw already being random (except for the youth preference component) the DWG agreed that the Secondary Draw would provide another opportunity for new/novice hunters to draw limited licenses.

Topic #2- Preference Points

The second work session, which focused on preference points, took place February 7, 2024 in Grand Junction. During the first part of the meeting, CPW staff presented information on CPW's current preference point system, how preference points are gained and used, data on customer age demographics and application behavior, point creep examples, and draw results. Specifically this data looked at whether or not point creep is problematic in Colorado at both the license and hunt code level. The conversation again focused on deer, elk, bear and pronghorn, with sheep, goat and moose tabled for work session #3.

After staff data sharing, a group exercise was facilitated, brainstorming ways to reduce point creep or encourage customers to use their accrued preference points. Individual ideas were grouped by similarity, leading to fifteen different distinct ideas from the entire group (see Appendix B). Each working group member was then allowed to vote six times for the top ideas that they wanted to discuss as a larger group. The top six ideas out of the initial list of fifteen were as follows:

1. Use Points for all Choices or all List A Licenses
2. Use Points in Secondary Draw
3. Point Banking and Group Averaging
4. Increase the Cost of Points and/or Application fees
5. Provide New Hunting Opportunities or Lower Success Rate Seasons
6. *Change Reissue Process*

The first five ideas were each discussed individually at length by the group in context to the split draw recommendation from work session #1. Idea #6 was held for the reissue discussion that will take place in work session #4.

Use Points for all Choices or all List A Licenses

Currently in the Primary Draw, **any** first choice license that is drawn uses all of an applicant's preference points for that species. All other choices (2nd, 3rd, and 4th) do not use any points. One idea to require more applicants to use points was to require preference points to be used on all choices. Another similar idea was to require points to be used in all four choices, but only for List A licenses (not list B or C).

List A, B, and C terminology refers to licensing rules on how many licenses for a particular species one can have in a given license year (W-205). Specifically, you can only have one List A license per year, two List B licenses, and any number of List C licenses. List B and C licenses are used by wildlife managers as a tool to increase harvest in areas where game damage is occurring or where increased harvest is needed to meet population objectives, but where adding hunters to the landscape could cause crowding or other impacts. Licenses can also be transitioned from List A into List B licenses if the demand for a particular unit or hunt code is low and licenses are not selling. **Due to the importance of using list status for population management, the group was not supportive of requiring all List A licenses to use points.** There was concern that this could lead to less applicants applying for those licenses and more licenses going to leftovers or going mostly unsold in the areas where harvest is needed the most. Additionally List A, B, and C rules are confusing to most customers, so implementing a new preference point rule based on list status would be difficult to explain to customers.

The group was supportive however, of making customers use preference points on all four choices in the Primary Draw. The rationale was that customers should have to choose each year whether they want to try to gain an additional preference point or try to draw a license to hunt from the Primary Draw. The DWG believed that allowing customers to easily draw a license and gain a point every year is only exacerbating preference point creep. Instead the group recommended getting rid of the preference point hunt codes entirely and making customers choose upfront if they want a preference point only, or if they want a chance at drawing a license, while using points. This would be accomplished by having an applicant check a box that they either 1) want to purchase a point and not participate in the Primary Draw, or 2) they want to apply for a license and use points for all four choices if they draw. The group was conscious of the fact that this policy change could cause many applicants to change their application behavior by either choosing to not apply in the Primary Draw or applying for hunt codes that are traditionally more difficult to draw. Customers could still take their chance in the random Secondary Draw where no preference points are used, if they wanted an opportunity to hunt every year.

This change would still require intensive customer re-education and communication, but would be easier to understand and describe, compared to the List A requirement.

Use of Points in the Secondary Draw

Given the recommendation to require the use of points for all Primary Draw choices/licenses, the group felt it was important to **not require the use of points in the Secondary Draw.** It was the preference of the DWG that the majority of limited licenses be distributed through a draw process vs. sold as leftovers. There was concern that selling more licenses as leftovers would put more pressure on CPW staff and agents selling licenses as well as stress on the licensing system trying to handle the increased customer load and simultaneous sales. Revenue generated from application fees and qualifying license purchases is significant with important Pitman Robertson funding implications as well.

Applying allocation rules to the Secondary Draw was briefly discussed by the group, but no formal recommendation was made. This topic may be further discussed at future DWG meetings, especially in light of Big Game Season Structure recommendations related to over-the-counter licensing.

Point Banking and Group Averaging

Many of the DWG members had seen previous presentations from CPW staff to the Commission on preference point banking and group averaging. As staff had highlighted in those presentations, the DWG noted and agreed that point banking would only expand the point creep problem to a greater number of hunt codes, particularly those mid-to-lower point hunt codes where the draw is working fairly well. The other concerns with point banking were the added complexity and the unpredictability potentially added to the preference point system, both contrary to the group's vision.

The DWG was less concerned with the impacts of group averaging (averaging points between all the members that apply as a group instead of using the lowest number of points of all the group members) on preference point creep, but they were concerned about creating a market for preference points. The unfairness and inequity of preference points being "purchased" by those with the greatest financial means was raised. There was also concern that this practice would lead to more non-hunting applications being submitted just for the purpose of improving draw odds for family members and friends. Lastly, the group also discussed that if group averaging were implemented, changes would be needed to the refund regulations so that high preference point holders could not apply as a group member to increase their group's chance of drawing and then turn their license back in for a point restoration.

For all of these reasons, neither point banking nor group averaging was supported by the DWG.

Increase Cost of Preference Points and Application Fees

Charging for all preference points and not just for sheep, goat and moose points was another idea raised by the group. The group had questions about how high the preference point fee could be priced/raised as well as if we could charge more for application fees. Staff provided information on the price caps set in statute, which are currently \$100 for a preference point fee and \$10/\$20 for resident and nonresident application fees, respectively.

The group also asked if application rates decreased for sheep, goat and moose after the Commission instituted the preference point fee in 2019. The intent behind the additional fee was to reduce application rates for these three species after application rates almost doubled in 2018 with the change to pay after you draw. The actual result of the preference point fee was a slight decrease the first year, with application numbers returning to 2018 levels by 2023 (i.e. a short term solution). See Appendix C for application trends data for sheep, goat and moose. The preference point fee also led to additional customer complaints with people selecting a different opt-in or out choice than what they intended.

After discussion, the group did not support the idea of charging for preference points for deer, elk, bear and pronghorn or increasing the application fees. The group felt this just added an unnecessary barrier to participation to our draws as well as added complexity.

Provide New Hunting Opportunities or Lower Success Rate Seasons

Most of the ideas brainstormed by the group addressed the demand side of the supply and demand issue, which is the root cause of preference point creep. Only a couple ideas proposed addressing the supply side of things, by either creating additional high demand hunting opportunities or decreasing the success rates on existing hunts by changing hunt timing or method of take so that more licenses could be issued (even with the same existing big game populations).

The concept of lowering success rates was not supported by the group, as that could potentially lower hunter satisfaction and overall participation.

As far as creating new high demand hunting opportunities that hunters would be willing to spend their points on, the group agreed this was out of scope for our working group. However, they wanted to **make a recommendation to the agency, Commission and BGSS working group to be more creative with seasons & methods of take to create more quality/premium hunt codes.** Examples include: new primitive seasons, season timing, and methods.

Draw Season Structure

One last topic that the DWG discussed, that ties to both the draw methods and preference point topics, was the disadvantage of continual changes to the draws. There was discussion that continual, every year change leads to confusion of customers, lessens draw predictability, and makes it difficult on CPW staff to reprogram and test draws and update customer communications.

On the other hand, never addressing topics such as allocation, preference points and other draw rules (as it is outside of the traditional Big Game Season Structure (BGSS) framework), also leads to frustration from the public.

As a middle ground approach, the DWG recommended instituting a Draw Season Structure public process, similar to the BGSS, but focused just on draw rules and policies. This would be a 5-10 year framework that could take place separately or at the same time as BGSS. The first few years of the cycle could be a transition/reprogramming period, while the last part of the cycle would be implementation and looking at results and trends. This new cycle approach would prevent changes from occurring every year, allowing staff time to collect years of data to analyze and determine if changes made had the intended results. If the changes did not produce the intended results, a new approach could be tried after appropriate public engagement.

An opportunity to further discuss these recommendations as well as ask questions of the DWG panel will be a part of the March Commission agenda. As a part of the panel presentation, the DWG and staff will be seeking approval or guidance on the recommendations from the Commission. This will allow the DWG to continue having additional DWG topic discussions as well as allow staff to start drafting new rules and policies to start the regulatory process needed for implementation. Thank you for your time and consideration. We look forward to the discussion in March.

Appendices-

Appendix A: Descriptions of Different Draw Types

Random Draw- All applicants get one application (per species). There is no preference given to one application over another. Draw results are completely random.

Preference Draw- All applicants get one application (per species). There is preference given to some applications over others. The preference could be based on number of preference points held, age, residency or some other factor.

Bonus Points/Weighted Draw- This type of draw functions more like a raffle or “names in a hat”. Applicants apply once, but can have multiple applications or chances per species in the draw. However, unlike a true raffle, the number of applications is usually based on the number of preference points an individual holds. Draw odds increase as an applicant gains more applications per species, but the draw is still random. **This is not exactly how CPW’s weighted draw works, however the draw odds are statistically identical.*

Split Draw/Hybrid Draw- Quota is split between a mixture of two or more different draw types. Those individuals that draw in the first split are removed from drawing in the second split. Typically, one of the splits includes a random component.

Appendix B: Complete List of Grouped Brainstormed Ideas to Address Preference Point Creep/Encourage Use of Points

1. Purge preference points more frequently
2. Use Points on all choices or all List A licenses
3. Use Points on all male licenses
4. Use Points on first two choices
5. Reissue/return policy
6. Use points in the Secondary Draw
7. Point banking and group averaging
8. Provide new hunting opportunities or lower success rate seasons
9. More game, seasons, licenses
10. Phase out preference points
11. Get rid of preference point only code
12. Increase the cost of points and/or application fees
13. Reduce OTC opportunity
14. Cap max points
15. Waiting periods after drawn

Appendix C:

Submitted Application Numbers 2015-2023

