

Updated Appendix B.7 to include turkey when charging for a preference point - 01/03/2025

Draw Working Group Recommendations- *Updated January 2025*

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 was to reduce complexities within Colorado's draw system and address preference point issues, while keeping in mind biological and sociological concerns.

A Draw Working Group was formed which consisted of two Commissioners, eight members of the public (residents and nonresidents) and seven members of staff (two non-voting). The DWG held five meetings between October 2023 and May of 2024 to draft recommendations for the agency and Commission to consider. The topics of focus were draw methods for the Primary and Secondary draws, preference points, the weighted draw for sheep, goat and moose, and the reissue process. Three Commission workshops also took place between January 2024 and July 2024 on these topics.

This policy document summarizes all of those recommendations, including agency feedback and the potential financial impacts (Appendix B) of making these changes. Policies that are recommended to remain status quo have been removed from this version of the summary document. Exceptions to this are for items that had Commissioner comments or recommendations raised during the November Commission meeting.

Where changes to existing regulations/policies are requested *and* there is agreement between the agency and the Draw Working Group, those recommended changes are noted in black. In cases where the agency and the Draw Working Group have different recommendations, the working group's original recommendations are noted in red and the staff alternatives/recommendations are noted in blue.

All recommendations for change will be discussed and considered by the Commission in a two-step policy approval process (November and January) and a one-step regulation approval process (March 2025). Adopted policies/regulations will not be implemented until the 2028 draws in order to allow time for draw reprogramming. These policies will also be re-examined every ten years, by implementing a Draw Season Structure, similar to the Big Game Season Structure. This cycle will run through the 2032 draws to allow for five years of implementation before the next cycle begins.

Deer, Elk, Bear, Pronghorn, and *Turkey

a. Primary Draw Methods (*Applies to both the spring and fall limited turkey draws)

i. Draw Type - Split Draw

- A split draw methodology will be used in the Primary Draw for all deer, elk, bear, pronghorn, and turkey licenses. The quota for each hunt code will be divided 50/50, with half of the quota going to a preference point draw, and half going to a bonus draw (**see Appendix A for descriptions of draw types*). If the quota cannot be evenly split, the extra license will go to the preference point draw.
- The previous hybrid draw is removed and replaced with the above split draw methodology.

ii. Allocation

First Change:

- The nonresident allocation for all deer, elk, bear, pronghorn, and turkey licenses is 25%, unless there is insufficient demand to reach the 75% resident allocation.
- All hunt codes for these species will have the same residency allocation. No continued differentiation between high-demand and low-demand hunt codes (using resident preference point and three-year averages). **See Appendix B, Item 1 for the financial analysis related to this proposal.*

Second Change:

- **Alternative 1:** Allocation rules apply to all four choices in the Primary Draw. If there is insufficient resident demand after going through all four choices, any excess quota may go to nonresidents (soft cap). **See Appendix B, Item 2 for the financial analysis related to this proposal.*
- **Alternative 2: Status Quo.** Allocation rules only apply to the first choice. If there is insufficient resident demand after going through the first choice, any excess quota may go to nonresidents (soft cap).
- For both alternatives, no more than half of the nonresident cap will be included in the preference point half of the split draw.

b. Secondary Draw Methods (not applicable to turkey)

i. Draw Type - Random Draw

- **Status Quo.** Preference Points are not used or gained in the Secondary Draw. Fully random draw, except for youth preference (**see Appendix A for description of draw types*).

ii. Allocation

- **Alternative 1:** The nonresident allocation for all deer, elk, bear, and pronghorn licenses is 25%, unless there is insufficient demand to reach the 75% resident allocation. Allocation rules apply to **all four choices** in the Secondary Draw. If there is insufficient resident demand after going through all four choices, any excess quota may go to nonresidents (soft cap). Each draw (Primary and Secondary) will have the allocation percentages calculated separately.
- **Alternative 2: Status Quo.** Allocation rules do not apply to the Secondary Draw.

c. Preference Points

- i. **Obtaining Points** - Preference Points are species specific. With exception to turkey, only one point per species can be accrued per draw year. For turkey, a point can be accrued per draw application season (spring and fall), so a maximum of two per draw year.
 - **Alternative 1:** Points are accrued in two ways; 1) by purchasing a point during the Primary Draw application period, or 2) if unsuccessful in drawing **any** license during the Primary Draw (all choices). *Original DWG proposal*
 - **Alternative 2:** Points are accrued in two ways; 1) by purchasing a point during the Primary Draw application period, or 2) if unsuccessful in drawing a **first choice license** during the Primary Draw. *DWG is supportive of this modification as well.*
 - The first choice preference point only hunt code for each species is eliminated under both alternatives.
 - No preference points are gained or purchased during the Secondary Draw under both alternatives. **Status Quo.**
- ii. **When Points are Used**
 - **Alternative 1:** All accrued preference points for that species become void when **any** license is drawn during the Primary Draw (all choices). *Original DWG proposal*
 - **Alternative 2: Status Quo.** All accrued preference points for that species become void when a **first choice** hunt code license is drawn during the Primary Draw. *DWG is supportive of this modification as well.*
- iii. **Point Fees**
 - **Status Quo.** No preference point fee will be charged for deer, elk, bear, pronghorn or turkey preference points. An application fee per species and qualifying license will still be required to purchase preference points as a part of the Primary Draw. **See Appendix B, item 7 for a financial analysis if the Division started to charge a preference point fee for these species.*

Rocky Mountain Bighorn Sheep, Mountain Goat, and Moose

a. Primary Draw Methods

i. Draw Type - Bonus Draw

- A 100% bonus draw will be used for all Rocky Mountain bighorn sheep, mountain goat and moose license hunt codes (**see appendix A for description of draw types*). This new draw method will replace the previous weighted draw for these species.

ii. Application Restrictions

- **Pick One.** Applicants may only apply for a license for one of the following species each draw year: Rocky Mountain bighorn sheep, desert bighorn sheep, mountain goat or moose. Preference points can still be purchased for the other three species (except desert bighorn sheep) annually. *The agency remains neutral on this recommendation and would like to hear feedback from the public. *See Appendix B, Item 3 for the financial analysis related to this proposal.*

iii. Waiting Periods.

- Applicants must hold a minimum of three species-specific preference points to be eligible to draw a ram Rocky Mountain bighorn sheep, bull moose, or either-sex mountain goat license. There are no minimum point thresholds in order to draw an antlerless moose, ewe Rocky Mountain bighorn sheep, or nanny only license. **See Appendix B, Item 4 for the financial analysis related to this proposal.*

iv. Group Applications.

- Group applications are allowed, but are restricted to two members in the group and both must have the same residency. *This is status quo for Rocky Mountain bighorn sheep and mountain goats, but expanded to moose and desert bighorn sheep applicants for consistency.*

v. Once in a Lifetime Harvest

- License holders who **harvest** any antlered moose, bighorn sheep ram, or mountain goat on an either-sex license, will not be eligible to draw another male or either-sex license for the same species in the future. Exceptions to this policy include auction and raffle licenses, private land tags issued under the Bighorn Sheep Access Program, and control/special management licenses approved by the Division. This policy change is not retroactive, but applies to license holders moving forward.
- License holders who **harvest** any antlered moose, bighorn sheep ram, or mountain goat, must wait a minimum of 5 years before

they are eligible to reapply for points or for a female license for the same species. **See Appendix B, Item 5 for the financial analysis related to this proposal.*

b. Preference Points

Obtaining Points - Preference Points are species specific. Only one point per species can be accrued per draw year.

- **Alternative 1:** Points are accrued in two ways; 1) by purchasing a point during the Primary Draw application period, or 2) if unsuccessful in drawing **any** license during the Primary Draw (all choices). *Original DWG proposal*
- **Alternative 2:** Points are accrued in two ways; 1) by purchasing a point during the Primary Draw application period, or 2) if unsuccessful in drawing a **first choice license** during the Primary Draw. *DWG is supportive of this modification as well.*
- The first choice preference point only hunt code for each species is eliminated under both alternatives.

When Points are Used

- **Alternative 1:** All accrued preference points for that species become void when **any** license is drawn during the Primary Draw (all choices). *Original DWG proposal*
- **Alternative 2: Status Quo.** All accrued preference points for that species become void when a **first choice** hunt code license is drawn during the Primary Draw. *DWG is supportive of this modification as well.*

Point Fees

- **Status Quo.** Residents are charged a \$50 fee and nonresidents a \$100 fee to receive a preference point for moose, Rocky Mountain bighorn sheep, or mountain goat (per species).
- **Status Quo.** Applicants can select to opt-out of paying the preference point fee if unsuccessful, but they will not gain a preference point for that species for the year.
- **Status Quo.** An application fee per species and qualifying license will also be required to purchase preference points as a part of the Primary Draw.

Points are Points

- The differentiation between preference points and weighted preference points is eliminated. All points are considered normal preference points moving forward. All preexisting weighted preference points are added to the number of preexisting preference points to get the updated point value for each customer.

Desert Bighorn Sheep

a. Primary Draw Methods

i. Draw Type - Random Draw

- **Status Quo.** Fully random draw (see appendix A for description of draw types). No preference points are gained or used for this species.
- *This is the proposed draw type for any new limited species draw added in the future.*

ii. Application Restrictions

- **Pick One.** Applicants may only apply for a license for one of the following species each draw year: Rocky Mountain bighorn sheep, desert bighorn sheep, mountain goat or moose. *The agency remains neutral on this recommendation and would like to hear feedback from the public. *See Appendix B, Item 3 for the financial analysis related to this proposal.*
- **Group Applications.** Group applications are allowed, but are restricted to two members in the group and both must have the same residency. *New for desert sheep.*

b. Preference Points (Not applicable to this species)

Reissue Process

a. Auto-reissue

First Change:

- The reissue process is automated and is used to resell **any** license that is surrendered, not paid for by the payment deadline, or returned *up to two weeks prior to the start of the season.*
- Licenses are automatically reissued to the next eligible applicant in the draw order (by residency based on the next up report) that has opted-in to accept auto reissues. **See Appendix B, Item 6 for the financial analysis related to this proposal.*
- Applicants opt-in to accept auto reissues by hunt code during the application process. They can also change their opt-in status at any time, prior to being issued a license for that hunt code.
- When a license is auto-reissued, the system charges the customer for the license.

Second Change:

- **Alternative 1:** If the hunt code was applied for during the Primary Draw (any choice), then all preference points for that species also become void with the auto reissue. *Original DWG proposal*
- **Alternative 2:** If the hunt code was applied for as a first choice during the Primary Draw, then all preference points for that species also become void with the auto reissue. If the hunt code was applied for as a second, third, or fourth choice or during the Secondary Draw, then no points are used. *DWG is supportive of this modification as well.*

b. Weekly reissues

- Any deer, elk, bear, pronghorn or turkey licenses that are returned *two weeks or less prior to the start of the season* or returned at any time but do not have any eligible applicants to auto-reissue the license to, will be placed on the weekly reissue list.
 - Those licenses will be released at 11:00 am MT on Wednesdays weekly, with a preview list posted the Tuesday prior.
 - Licenses purchased during the weekly reissue release are treated as leftover licenses and do not require the use of preference points to purchase.

c. Manual reissues

- Any Rocky Mountain bighorn sheep, desert bighorn sheep, mountain goat or moose license *returned two weeks or less prior to the start of the season* will be manually reissued to the applicant next up in the draw order (by residency based on the next up report). This is done manually by CPW staff, not automatically by the system. The customer must approve the manual reissue.
- When a license is manually reissued, the customer is charged for the license and all preference points for that species become void.
- If there are no eligible applicants to manually reissue the license to or if none of the next five applicants in line accept the license, the license becomes available as a part of the next weekly reissue process.

c. Fail to Pays

- If a customer draws a license during any limited license draw, but the license is not paid for by the payment deadline, the license is removed from the customer's account and auto-reissued (as described above) to the next applicant in the draw order. If preference points were used to obtain the license, those preference points are restored to the pre-draw level.

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 the 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: Financial Analysis

The following recommendations made by the Draw Working Group have an anticipated financial impact to Colorado Parks and Wildlife’s annual license revenue. While CPW cannot anticipate precisely how applicant behavior may change after these potential changes have been implemented, we can analyze past applicant behavior to anticipate potential impacts. For most of these analyses, 2024 application data has been used, as well as 2024 license prices.

1. Proposal- The nonresident allocation for all deer, elk, bear, pronghorn and turkey licenses is 25%, unless there is insufficient demand to reach the 75% resident allocation.

Currently there are a subset of deer, elk, bear, and pronghorn hunt codes that are considered high demand and have an 80% resident and 20% nonresident allocation. This proposal would adjust the allocation for those hunt codes down to 75% resident and 25% nonresident. This proposal would also apply these allocation percentages to the turkey draws.

In the November Draw Working Group memo, staff anticipated that this modification would bring in \$16,000 of additional annual revenue. This analysis was based on an allocation draw simulator that used 2021 licensing data and was used for previous license allocation discussions. The simulator takes into account soft caps, potential

licenses drawn by youth, and LPP allocations. However, there were fewer high demand hunt codes in 2021 (37) than there are today (108) which were not accounted for.

The table below shows a breakdown of the number of high demand hunt codes and licenses per species in 2024.

High Demand Hunt Codes		
Species	# Hunt Codes	Quota
Antelope	31	500
Bear	5	21
Deer	35	711
Elk	37	1527
Grand Total	108	2759

Using the updated number of high demand hunt codes, and accounting for the LPP allocation, staff have rerun this analysis. Using 2024 quota, hunt codes and draw results, it is anticipated that 105 licenses would shift from being drawn by residents to being drawn by nonresidents if this policy were applied. Applying the price differential between a resident and nonresident license by species, this equates to **\$63,395 in additional revenue** if applied retroactively to the 2024 draws.

2. **Proposal- Allocation rules apply to all four choices in the Primary Draw and Secondary Draw. If there is insufficient resident demand after going through all four choices, any excess quota may go to nonresidents (soft cap).**

Currently, residency allocation rules only apply to first choice hunt codes for deer, elk, bear and pronghorn in the Primary Draw. Using the 2024 draw results, if all deer, elk, bear and pronghorn licenses that went over cap (sold to nonresidents) in the Primary Draw were instead sold to a resident hunter, CPW would lose **approximately \$4.2 million annually**. This figure is a worst-case scenario. It assumes that every license that went over cap would be sold to a resident. In reality, there may not be enough resident demand to take all of these licenses because either there were not enough resident applicants for that hunt code or each resident applicant may draw another license for that species, from a different choice using a different hunt code, making them ineligible to draw another license for that same species.

As allocation rules do not currently apply to the Secondary Draw, we do not have an over cap number to use to run a similar analysis for the Secondary Draw. The same is true for both turkey draws. Therefore, the Secondary Draw and spring and fall turkey draws are not included in this analysis.

3. **Proposal- Pick One.** Applicants may only apply for a license for one of the following species each draw year: Rocky Mountain bighorn sheep, desert bighorn sheep, mountain goat or moose. Applicants may still purchase a preference point for the other 2-3 species (no points for desert bighorn sheep) during the same draw year.

Currently, applicants can apply for moose, sheep **and** goat license hunt codes every year. However, applicants must choose annually between applying for desert bighorn sheep or Rocky Mountain bighorn sheep (they cannot apply for both).

This proposal expands that concept to all four species (moose, mountain goats, desert and Rocky Mountain bighorn sheep). Applicants could still apply for points for the other two/three species annually (no points for desert bighorn sheep), just not a license.

In 2024, ~46% (approx. 33,000) of combined sheep, goat and moose *applicants* only applied for one species. These applicants would not be impacted whatsoever with this proposed change.

~35% (approx. 25,000) of combined sheep, goat and moose *applicants* applied for all three species.

~19% (approx. 13,000) applied for two of the three species (sheep, goat, moose).

These percentages however, include preference point only applications. 56% of Rocky Mountain bighorn sheep, 60% of mountain goat, and 50% of moose *applications* were for preference points only.

Furthermore, ~26,000 *applicants* that applied for *multiple species* (out of ~38,000), only applied for a license hunt code for one species. These applicants, similar to the 46% above who only applied for one species, would also not be impacted by this proposed change, assuming their application behavior and preferences stayed the same as in 2024.

For all of these reasons, CPW does not anticipate a significant loss in revenue under this proposal, as hunters could still apply for all the same species as they are currently, just shifting from a license application to a preference point only application in many cases.

4. **Proposal- Waiting Periods.** Applicants must hold a minimum of three species-specific preference points to be eligible to draw a ram Rocky Mountain bighorn sheep, bull moose, or either-sex mountain goat license. There are no minimum point thresholds in order to draw an antlerless moose, ewe Rocky Mountain bighorn sheep, or nanny only license.

Currently, most moose, Rocky Mountain bighorn sheep and goat applicants are required to pay the preference point fee for a minimum of three years in order to accumulate the minimum number of three preference points needed to enter the weighted draw. Although not required to enter the draw, an applicant's draw odds do

increase with the number of preference points they hold (names in the hat), which will likely incentivize many female-only license applicants to continue purchasing points. If a change is made to eliminate the minimum point threshold (3) for eligibility to compete for females licenses, applicants are not required to purchase preference points. Therefore, CPW could potentially lose minor revenue with this proposal if female-only license applicants decide to opt-out of paying the preference point fee.

5. Proposal- License holders who **harvest** any antlered moose, bighorn sheep ram, or mountain goat on an either-sex license, will not be eligible to draw another male or either-sex license for the same species in the future. This policy change is not retroactive, but applies to license holders moving forward. License holders who **harvest** any antlered moose, bighorn sheep ram, or mountain goat, must wait a minimum of 5 years before they are eligible to reapply for points or for a female license for the same species.

CPW could potentially lose some very minor revenue with this proposal as successful applicants who *harvest* an antlered moose, bighorn sheep ram, or mountain goat on an antlered or either-sex license may stop applying for that species. However, since there is still an opportunity for these customers to apply and draw an antlerless moose, ewe sheep or nanny only goat license, they may also choose to continue applying.

Current harvest success rates (using an average from 2020-2023) are as follows:

- Rocky Mountain Bighorn Ram = 68% hunter success
- Mountain Goat (for both either-sex licenses and nanny only) = 75% hunter success
- Bull moose = 93% hunter success

In 2023, we issued 252 Rocky Mountain ram bighorn sheep licenses, 272 bull moose licenses and 278 either-sex and nanny goat licenses. Using 2023 as a snapshot example and applying these average harvest success rates, ~632 applicants would have been removed from future draws, if they had no interest in applying for a female license and if this policy were in place at that time.

Additionally, we are seeing an increasing number of applicants every year for these species, which would likely offset those applicants that we lose from once-in-a-lifetime harvest. Rocky Mountain bighorn sheep applications have increased on average 2,472 per year over the last four years, 376 per year for desert sheep, 3,616 each year for moose and 2,073 per year on average for mountain goats.

6. Proposal- Licenses are automatically reissued to the next eligible applicant in the draw order (by residency based on the next up report) that has opted-in to accept auto reissues.

CPW anticipates that this proposal will retain more revenue than our current reissue approach. As auto-reissued licenses will be issued to the same residency class (using the next up report) as the original license, there is less opportunity for revenue loss. Currently, if a nonresident returns a license and it gets sold as a leftover license, the license is sold first-come first serve with no regard to the residency of the purchaser. Therefore, if a resident picks up a license that a nonresident returned, the agency

loses the price difference for that license. Under the current reissue process a nonresident could theoretically pick up a license that a resident returned, gaining the agency revenue. However the vast majority of leftover licenses are currently being sold to residents (93% of deer, 84% of elk, 96% of pronghorn and 58% of bear in 2023).

Sales would also be automatic without requiring any additional effort from the customer (i.e. not watching the leftover or weekly preview lists and trying to purchase a reissue or leftover). This could lead to fewer licenses remaining unsold at the end of the season overall.

For all the cumulative Draw Working Group recommendations, the financial implications are largely unknown. The highest projected revenue loss is around 4.1 million dollars.

**7. Charging for preference points for deer, elk, bear, pronghorn, and turkey
(Not a DWG recommendation)**

In 2019, the Parks and Wildlife Commission passed regulations implementing a new requirement to purchase a qualifying license in order to apply in a limited big game drawing. At the same time, previous “pay to play” fees for deer, elk, pronghorn and bear were removed. The “pay to play” fees were a type of preference point fee that required any applicant who did not hold an active annual or big game license from the previous license year to pay a fee per species in order to gain a point. The fee charged was \$30 per species for resident deer and pronghorn preference points and \$40 for all other points per species (all nonresident species points and resident elk and bear points). No “pay to play” fees existed for sheep, goat or moose at that time. As a snapshot, in 2018 the Division collected \$4 million dollars in point fees for deer, elk, bear and pronghorn. Again, no qualifying license requirement existed at that time.

If the Division were to re-institute a preference point fee for deer, elk, bear, pronghorn and turkey, the amount of additional revenue that could be collected would be dependent on three main factors: 1) the price of fee, 2) the opt-in rate (if you kept the ability to opt-out of paying the fee to receive the point, as currently exists for Rocky Mountain bighorn sheep, mountain goats and moose), and 3) which unsuccessful choices gain an applicant a preference point.

For sheep, goat and moose, opt-in rates are in the 90s% range. We anticipate that the opt-in rates for deer, elk, bear, pronghorn, and turkey will be lower, but for our analysis, we ran scenarios at a 90% opt-in, 75%, and 50%. As far as the price of the preference point fee, we ran scenarios at \$15 for resident/\$30 for nonresident (to prevent the preference point fee from being a barrier to entry), \$30 for residents/\$60 for nonresidents (similar to the previous “pay to play” fee), and \$50 for residents/\$100 for nonresidents (to match sheep, goat and moose). We also ran the scenarios based on applying the fee to just unsuccessful first choice applicants (including those that applied for the preference point hunt code as a first choice) vs. all unsuccessful applicants (after all four choices). The table below shows the results of the different scenarios with revenue impacts ranging from an additional \$4.6 million

to as high as an additional \$30.2 million. Please keep in mind that these numbers are also based on current allocation policies, which may also be changing.

Preference Point Price and timing	90% Opt In	75% Opt In	50% Opt In
\$15 R/\$30 NR - After 1 st Choice	\$9,078,534.00	\$7,565,445.00	\$5,043,630.00
\$15 R/\$30 NR - After All 4 Choices	\$8,337,667.50	\$6,948,056.25	\$4,632,037.50
\$30 R/\$60 NR - After 1 st Choice	\$18,157,068.00	\$15,130,890.00	\$10,087,260.00
\$30 R/ \$60 NR - After All 4 Choices	\$16,675,335.00	\$13,896,112.50	\$9,264,075.00
\$50 R/\$100 NR - After 1 st Choice	\$30,261,780.00	\$25,218,150.00	\$16,812,100.00
\$50 R/\$100 NR - After All 4 Choices	\$27,792,225.00	\$23,160,187.50	\$15,440,125.00

**Youth applicants excluded*