

ISSUES SUBMITTAL FORM

Date: April 15, 2020

ISSUE:	Should CPW increase the license fee for River Outfitter Licenses?
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DISCUSSION (FACTS AND FIGURES, EXPLANATION OF ISSUE):

Colorado Parks and Wildlife (CPW) is the licensing agency and one of the permitting agencies for river outfitters that operate within the state. As such, CPW sets and maintains qualification standards for river guides, trip leaders and guide instructors; requirements for equipment used on regulated river trips; and administrative requirements regarding the issuance of a River Outfitter License (ROL), such as the application process, insurance requirements, etc.

Currently regulation P-3 #300(13) shows the river outfitter licensing fee schedule as:

- a. Original and renewal license application fee.....\$400.00
- b. Late application filing fee.....\$100.00
- c. Application refiling fee.....\$ 25.00
- d. Limited use original and renewal license fee.....\$100.00

NOTE: A limited license is for outfitters that only utilize certain stretches of river which are outlined in regulation P-3 #300(12)(a-e).

This fee schedule was implemented in November of 1995, thus the ROL program has been operating with the same income for 25 years even though all other costs have increased. According to the CPI inflation calculator provided by the Bureau of Labor & Statistics, a \$400 license in 1995 should cost \$684 in 2019. This is a concern as the ROL program is cash funded from outfitter's license fees and is supposed to be self-sustainable, which it currently is not. On average there are 190 ROLs issued per year. Ten of those ROL are for limited use and the other 180 are the full license, which comes to a total of \$73,000 in revenue annually. The 2018 ROL sunset review stated that the program expenditures were approximately \$109,000 annually.

Approximately 53% of the operating budget goes in to funding salaries for three temporary ROL rangers. Another \$31,000 goes into supporting those rangers in the form of variable mileages on fleet vehicles and lodging/per diem related to field presence. That results in a little over \$4,000 to be used for uniforms, expensive specialty equipment needed for swiftwater safety, computers, printers, training, shipping/mailling, conference registrations, equipment maintenance & replacing worn equipment.

With support from the Colorado River Outfitters Association (CROA), we are proposing a two-phase approach to implement the fee increase. This will allow for a gradual increase in the fee to try to minimize the impact on the outfitters and give them time, two seasons, to prepare for the new fee amount.

STATE LAW REQUIRES CPW TO SOLICIT INPUT FROM STAKEHOLDERS THAT MAY BE AFFECTED POSITIVELY OR NEGATIVELY BY THE PROPOSED RULES. THE FOLLOWING STAKEHOLDERS HAVE BEEN ADVISED OF AND INVITED TO PROVIDE INPUT ON THE REGULATORY CHANGES PROPOSED IN THIS ISSUE PAPER:

***IT IS ASSUMED THAT ALL NECESSARY INTERNAL PARTIES HAVE BEEN NOTIFIED*.**

This regulation change will directly affect approximately 190 river outfitters licensed by CPW. We have worked closely with the CROA and their president, on this process. CPW staff went to the annual CROA conference in February 2019 to raise the idea with all the outfitters in attendance. The issue was also put before the ROL Advisory Committee. CPW staff has also spoken at various permitting meetings to address the fee increase with the outfitters. Input was also sought from the Bureau of Land Management and the Forest Service.

The majority of outfitters agreed that a fee increase would be reasonable since the fee had not changed in 25 years.

ALTERNATIVES: (POSSIBLE OUTCOMES or POSSIBLE REGULATIONS):

1. ***Preferred Alternative***: An analysis done by CPW accounting for the most recent ROL sunset review showed that the ROL program costs \$109,000 to operate. The long bill shows the program's estimated cost at \$112,041. The program is only bringing in \$73,000 at the current license amount.

CPW accounting analysis showed that for the program to become fully self-sustainable for the near future the annual license will need to be increased to \$625 per year and the annual limited license fee increased to \$150. With an average of 190 annual ROLs and 10 limited ROLs the increased fee would yield approximately \$114,000.

This fee would be implemented in two phases. In the first phase, the annual ROL would increase \$125 bringing the cost to \$525. The limited license would move to \$150 (and would remain at that rate). This would be the fee for two seasons. The start of the third season would mark phase two. The annual ROL fee would then increase another \$100, bringing the final fee amount to \$625. The limited ROL would remain at \$150.

2. ***Alternative 2***: CPW talked with the CROA and their president about the fee increase. The CROA supported a final fee increase to \$600 for the annual ROL and \$150 for the limited ROL.

This would also be implemented in two phases. During the first phase, the ROL would increase to \$500 and the limited ROL to \$150. This would be the fee rate for two seasons. At the start of the third season, the annual ROL fee would increase to the final amount of \$600 and the limited ROL fee would remain at \$150.

With an average of 190 ROLs and 10 limited ROLs, this fee structure would yield approximately \$109,500 in revenue.

3. ***Alternative 3*** Status quo.

Issue Raised by:	Grant Brown, Boating Safety Program Manager
Author of the issue paper (if different than person raising the issue):	
CC:	
APPROVED FOR FURTHER CONSIDERATION BY:	Heather Dugan, Asst. Director, Law Enforcement & Public Safety
REQUIRES NEW SPACE IN THE BROCHURE?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
ARE ADEQUATE STAFF AND FUNDING RESOURCES AVAILABLE TO IMPLEMENT?	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
REGION, BRANCH, OR SECTION LEADING IMPLEMENTATION	Boating Safety Program
RECOMMENDED FOR CONSENT AGENDA?	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

Preferred Alternative

Ch. P-3, #300

13. Effective November 1, ~~1995~~2020, the river outfitter licensing fee schedule shall be as follows:

- a. Original and renewal license application fee.....~~\$400.00~~\$525.00
- b. Late application filing fee.....\$100.00
- c. Application refiling fee.....\$ 25.00
- d. Limited use original and renewal license fee.....~~\$100.00~~\$150.00

14. Effective November 1, 2022, the river outfitter licensing fee schedule shall be as follows:

- a. Original and renewal license application fee.....\$625.00
- b. Late application filing fee.....\$100.00
- c. Application refiling fee.....\$ 25.00
- d. Limited use original and renewal license fee.....\$150.00