



COLORADO

Parks and Wildlife

Department of Natural Resources

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Commissioners

Included in your mailing packet is a brief presentation on inflationary pressures. This information was prepared, at the Commission's request, due to the regulatory item before you on adjusting license fees. Colorado Revised Statutes give the commission the authority to adjust fees, by rule, up to the total amount of the consumer price index for the Denver area. While the inflation rate has been well publicized, I wanted to give some context as to how this does, or does not, reflect pressures on CPW.

While CPI for Denver showed prices up 8.2 %in July, year over year, there has been some slowing with the September CPI showing a 7.7% year over year increase. Food prices (11.8%) have increased at a greater rate than energy (7.1%) and all other items (7.2%). In broad terms, energy and all other items impact CPW more than food, but CPW doesn't conform to the Fed "basket" of items, and some specific areas have increased at even greater rates.

Some selected areas of interest to CPW (figures are approximate) include:

- Oxygen prices have increased 18% increase over one year and 48% over two years.
- Electricity prices have increase 15% in the last year
- Other animal food manufacturing, a stand in here for fish feed, has increase 33% over the past two years. This is representative of the increases we have been seeing in bid prices.
- Gasoline is up approximately 100% over the past two years, as we have all seen at the pumps.
- Propane is up 167% over two years
- Building supplies are up 31% over two years, while the broader Construction Cost Index reflects similar increases year over year.

In addition to increased commodity prices, Denver and other large counties in Colorado are seeing large growth in employment which is putting pressure on wages. Colorado is seeing hourly wages 15% above the national average across all occupation groups, with differences of 10% to 15% across key categories. While CPI sets the "ceiling" of what license prices can be set at, CPW experiences different inflationary pressures than that index. Many categories have seen inflation at or above the rate measured by that index.

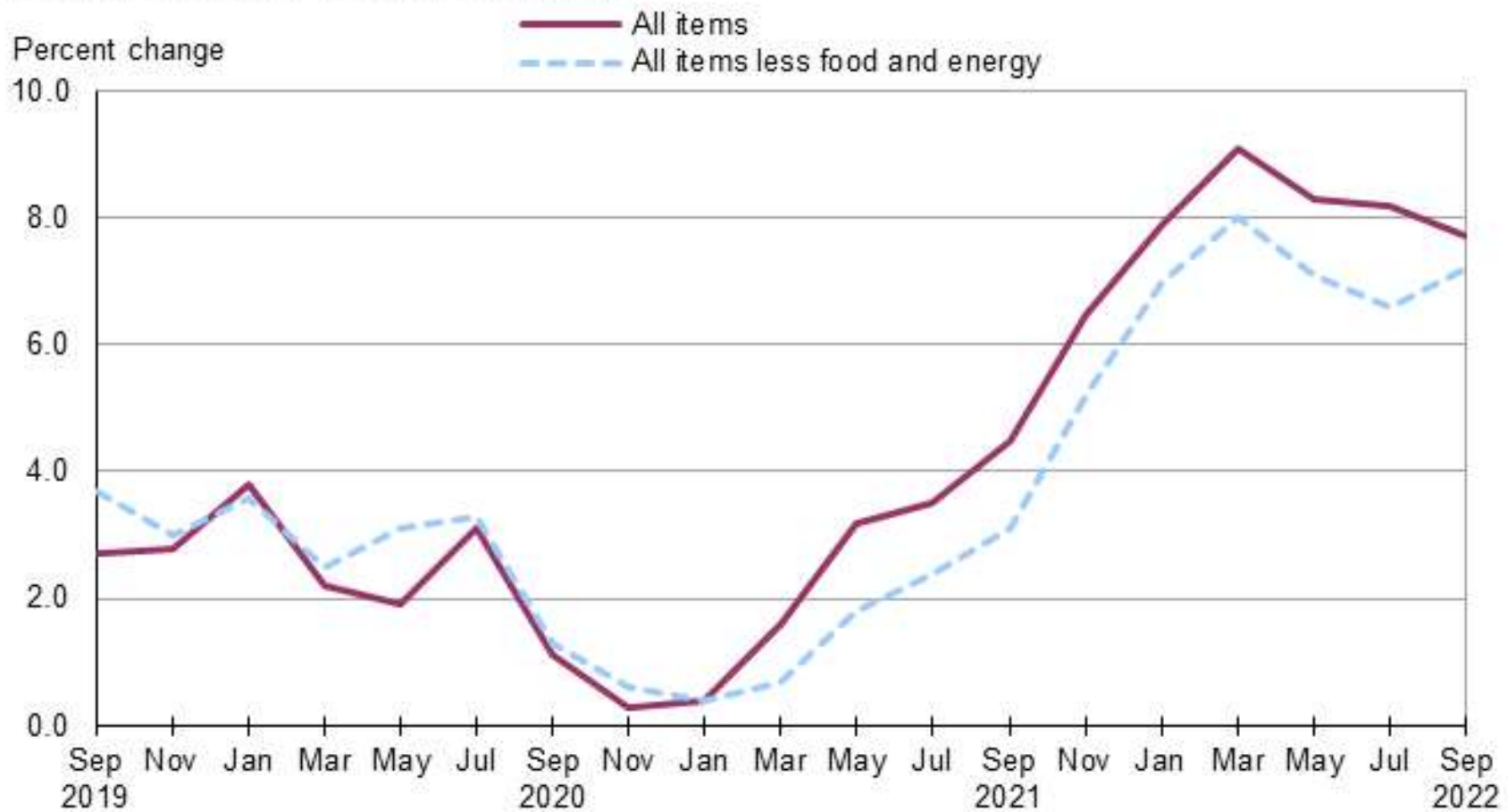


November, 2022

Colorado Parks and Wildlife Inflation Information

(b) For a fee or surcharge described in articles 1 to 6 of this title 33, the commission may, by rule, adjust the fee or surcharge by an amount up to the total amount reflected by the annual percentage change in the United States department of labor's bureau of labor statistics consumer price index for Denver-Aurora-Lakewood for all items and all urban consumers, or its applicable predecessor or successor index. The adjustment is not effective until the commission notifies the joint budget committee of the adjustment.

Chart 1. Over-the-year percent change in CPI-U, Denver-Aurora-Lakewood, CO, September 2019–September 2022



Source: U.S. Bureau of Labor Statistics.



— Producer Price Index by Industry: Industrial Gas Manufacturing: Oxygen



Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

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Average Price: Electricity per Kilowatt-Hour in Denver-Aurora-Lakewood, CO (CBSA)



Shaded areas indicate U.S. recessions.

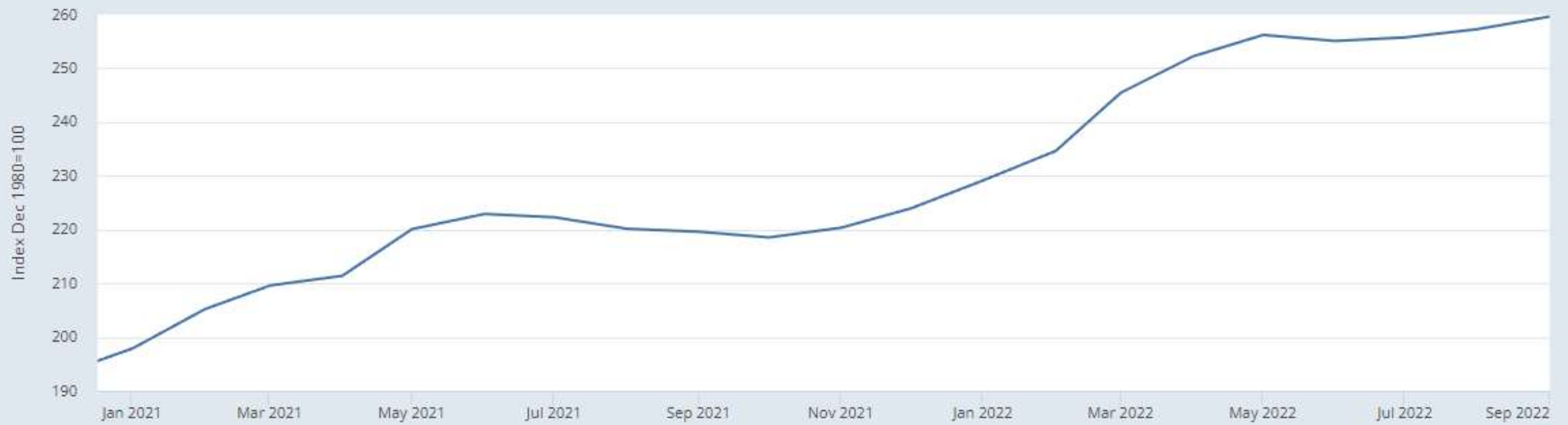
Source: U.S. Bureau of Labor Statistics

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— Producer Price Index by Industry: Other Animal Food Manufacturing



Shaded areas indicate U.S. recessions.

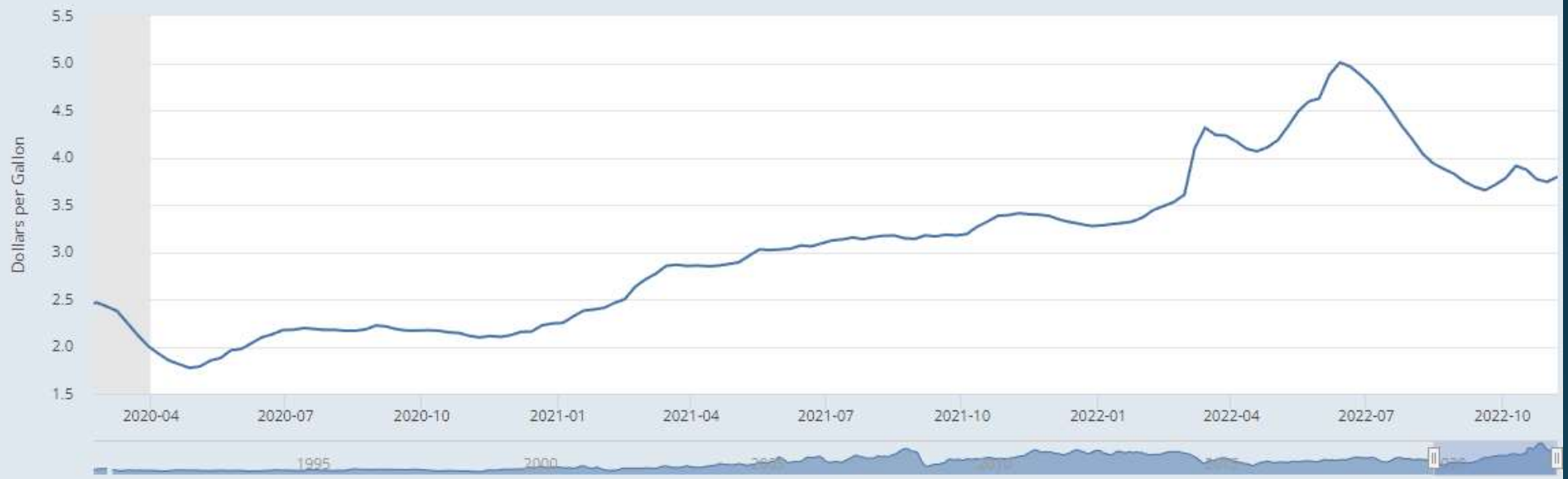
Source: U.S. Bureau of Labor Statistics

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— US Regular All Formulations Gas Price



Shaded areas indicate U.S. recessions.

Source: U.S. Energy Information Administration

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— Producer Price Index by Commodity: Fuels and Related Products and Power: Propane



Shaded areas indicate U.S. recessions.

Source: U.S. Bureau of Labor Statistics

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— Producer Price Index by Industry: Building Material and Supplies Dealers



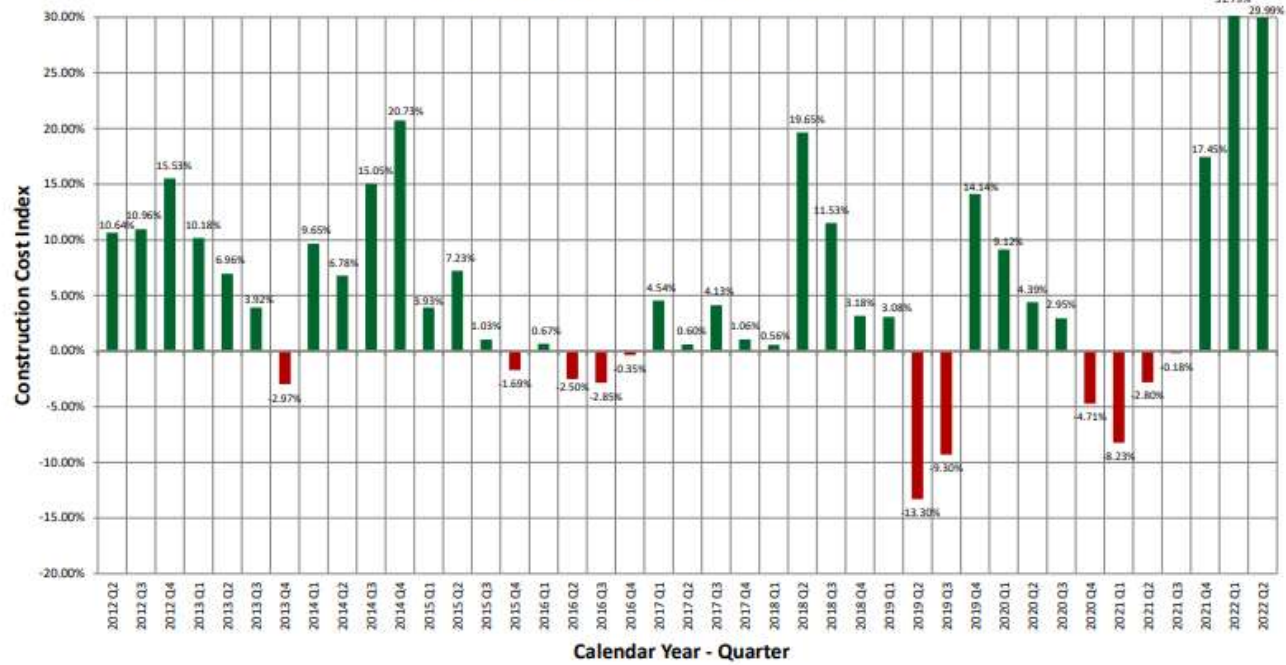
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Source: U.S. Bureau of Labor Statistics

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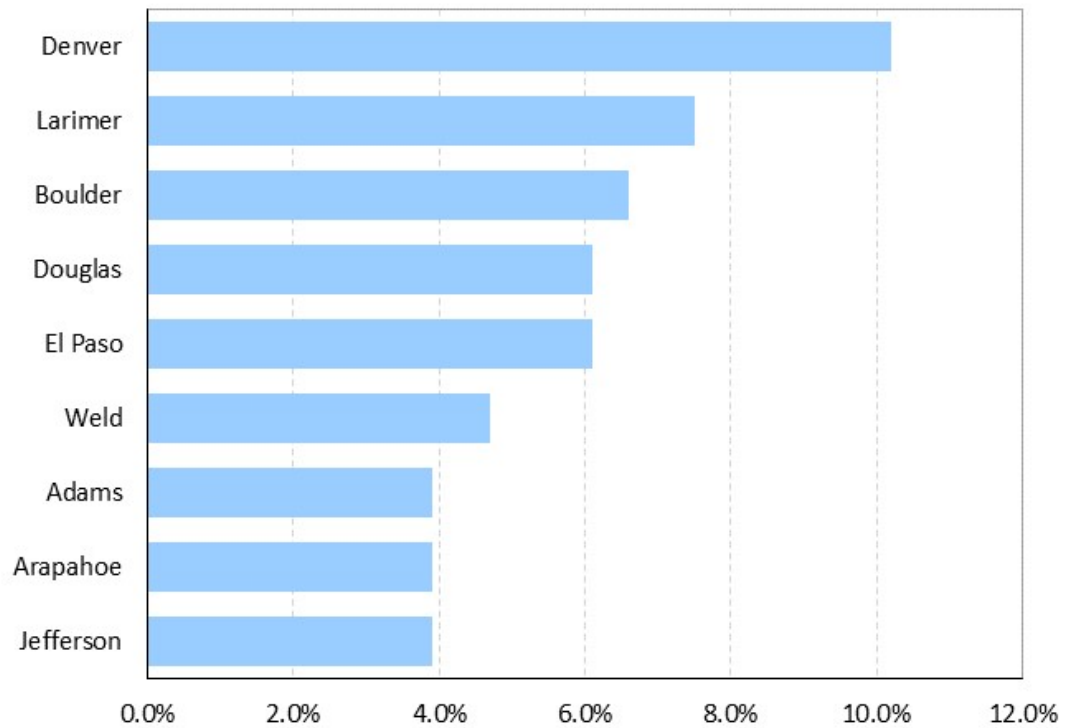


Colorado CCI - Annual Percentage Change



Calculations derived from the most recent four consecutive quarters of data compared to the previous four consecutive quarters of data.

Chart 1. Over-the-year percent change in covered employment among the largest counties in Colorado, December 2021



Source: U.S. Bureau of Labor Statistics.

Table A. Occupational employment and wages by major occupational group, United States and the Denver metropolitan area, and measures of statistical significance, May 2021

Major occupational group	Percent of total employment		Mean hourly wage		
	United States	Denver	United States	Denver	Percent difference (1)
Total, all occupations	100.0	100.0	\$28.01	\$32.09*	15
Management	6.3	5.3*	59.31	70.03*	18
Business and financial operations	6.4	9.9*	39.72	41.92*	6
Computer and mathematical	3.3	5.4*	48.01	51.15*	7
Architecture and engineering	1.7	2.7*	44.10	47.16*	7
Life, physical, and social science	0.9	1.2*	38.81	41.14*	6
Community and social service	1.6	1.6	25.94	28.08*	8
Legal	0.8	1.2*	54.38	56.15	3
Educational instruction and library	5.8	4.9*	29.88	32.79*	10
Arts, design, entertainment, sports, and media	1.3	1.5*	31.78	32.29	2
Healthcare practitioners and technical	6.2	5.3*	43.80	45.29	3
Healthcare support	4.7	3.4*	16.02	17.97*	12
Protective service	2.4	2.1*	25.68	28.48*	11
Food preparation and serving related	8.0	7.8*	14.16	16.56*	17
Building and grounds cleaning and maintenance	2.9	2.6*	16.23	18.01*	11
Personal care and service	1.8	2.1*	16.17	18.41*	14
Sales and related	9.4	11.2*	22.15	27.51*	24
Office and administrative support	13.0	11.8*	20.88	22.91*	10
Farming, fishing, and forestry	0.3	0.2*	16.70	17.93*	7
Construction and extraction	4.2	5.0*	26.87	27.03	1
Installation, maintenance, and repair	4.0	3.8	25.66	27.94*	9
Production	6.0	3.2*	20.71	22.08*	7
Transportation and material moving	9.0	8.1*	19.88	22.97*	16

(1) A positive percent difference measures how much the mean wage in the Denver-Aurora-Lakewood, CO Metropolitan Statistical Area is above the national mean wage, while a negative difference reflects a lower wage.
 * The mean hourly wage or percent share of employment is significantly different from the national average of all areas at the 90-percent confidence level.

