

REPORT HIGHLIGHTS



INVESTMENTS IN COLORADO'S GREAT OUTDOORS
PERFORMANCE AUDIT, JUNE 2017

GREAT OUTDOORS COLORADO
COLORADO PARKS AND WILDLIFE

CONCERN

Overall, we found that Great Outdoors Colorado (GOCO) could enhance the public transparency of how it tracks and categorizes its spending among grant recipients. In addition, Colorado Parks and Wildlife (CPW) has opportunities to plan and finish GOCO-funded capital construction projects more quickly and to enhance its use of GOCO funding to help defray park operating costs for GOCO-funded projects.

KEY FINDINGS

- GOCO does not have adequate policies and procedures to guide its categorization of grant expenses under the four purposes, based on which entities and what types of projects receive funding. We found that GOCO's categorization of \$45 million in grant expenses to entities outside of those listed in the State Constitution was unclear. In addition, GOCO does not have policies that define what it means for grant expenditures to be "substantially equal" and what action may be needed to rebalance expenditures that are not substantially equal across the four purposes. Since its inception, GOCO's cumulative spending on outdoor recreation is about \$24.3 million less than the next lowest category (wildlife).
- For a sample of 10 GOCO-funded capital projects at state parks, it took CPW an average of 4.4 years for the entire process to plan and complete the projects and request expense reimbursement from GOCO. Since GOCO spends an average of \$433,100 per month on these projects (based on Fiscal Years 2014 through 2016 data), if CPW can shorten the overall timeframe by 12 to 18 months, we estimate that CPW could access \$5.2 million to \$7.8 million in GOCO funding sooner to improve and maintain state parks.
- We found indications that CPW has not optimized the opportunity to seek GOCO funds to help pay for operating costs associated with GOCO-funded capital projects.

BACKGROUND

- GOCO was established in July 1993 and receives a portion of lottery proceeds to support four specified purposes: wildlife, outdoor recreation (i.e., the state park system that CPW manages), local government, and open space. The Colorado Constitution requires GOCO's spending on the four purposes to be substantially equal over a period of years.
- From Fiscal Years 1994 through 2016, the State Board of the Great Outdoors Colorado Trust Fund (GOCO Board) granted \$1.1 billion to various recipients.
- CPW's mission includes providing a quality state park system and outdoor recreation opportunities. In Fiscal Year 2016, there were 13.6 million visitors to Colorado's 42 state parks.
- In Fiscal Year 2016, CPW received about \$231.7 million in revenue, 11 percent of which was GOCO funding.

KEY RECOMMENDATIONS

- The GOCO Board should promulgate policies and procedures that specify how it categorizes spending under the four purposes and determines whether expenses are substantially equal.
- CPW should take steps to streamline planning and implementation of GOCO-funded capital projects.
- CPW should strengthen controls over project contracts to improve timeliness of project completion and payment.
- CPW should accurately estimate costs to operate GOCO-funded capital projects and, as necessary, request GOCO funding for those expenses.