



COLORADO
Bureau of Investigation
Department of Public Safety

Administration
Financial Services
690 Kipling Street, Suite 3000
Lakewood, Co 80215

January 15, 2015

The Honorable Kent Lambert, Chair
Joint Budget Committee
Legislative Services Building
200 East 14th Avenue, Third Floor
Denver, CO 80203

Dear Senator Lambert and Committee Members:

Pursuant to 24-33.5-424 (3.5)(f) C.R.S., the Colorado Bureau of Investigation (CBI) is required to annually report to the Joint Budget Committee (JBC) the number of full-time employees (FTE) used by the Bureau in the preceding year for the purposes of performing firearms background checks and the calculations used to determine the amount of the fee imposed for firearms background checks. As of December 31, 2014, the CBI InstaCheck Unit had a total of 40.0 FTE.

In the January 15, 2014 letter to the JBC, the Department estimated the fee for firearms background checks at \$10.17 but rounded it down to \$10.00. At the time the report was due and given that House Bill 13-1228 was signed on March 20, 2013, the Department did not have 12 months of actual cash fund expenditure data from the preceding year. Therefore, the Department used actual expenditure data from July 1, 2013 through December 31, 2013, and projected expenditures from January 1, 2014 to June 30, 2014 to estimate the fee for legislative reporting purposes.

Now that it has been over 21 months since the bill's enactment, the Department has 12 months of actual expenditure data for the preceding year, or January 1, 2014 to December 31, 2014. The table below shows the three expenditure categories for CBI's InstaCheck Unit: 1) Personal Services; 2) Operating Expenses; and 3) Leased Space.

InstaCheck Firearms Background Check Fee Calculation		
	Description	Amount
	Personal Services*	\$2,245,364
	Operating Expenses	\$250,133
	Leased Space	\$186,700
	InstaCheck's Portion of Department Overhead Costs	\$240,255
	Subtotal Expenses	\$2,922,452
	Decrease Expenses by Surplus Fund Balance	(\$700,596)
	Total Expenses Less Surplus	\$2,221,856
	Number of Firearms Background Checks Processed	315,086
	Fee per Firearms Background Check	\$7.05

*NOTE: Payroll data for October to December 2014 has not been posted in the CORE accounting system. Therefore, the Department used a



monthly average for those months. Also included is an overhead rate of 10.7 percent of total personal services cost.

Included in the fee calculation is the use of surplus cash fund balance in the amount of \$700,596 to reduce the fee for background checks in calendar year 2015. The Department estimates that using this amount of surplus over a two year period will reduce the cash fund balance to reserve of 20 percent of total expenses, which will be maintained for unanticipated operational expenses. Therefore, the CBI calculates the fee for firearms background checks at \$7.05 but will round down to \$7.00. The CBI will communicate the change in fee with all its customers in the coming weeks.

Sincerely,



Ronald C. Sloan, Director
Colorado Bureau of Investigation

Cc: Senator Kevin Grantham, Joint Budget Committee
Senator Pat Steadman, Joint Budget Committee
Representative Millie Hammer, Vice Chair, Joint Budget Committee
Representative Dave Young, Joint Budget Committee
Representative Bob Rankin, Joint Budget Committee
Christina Beisel, JBC Staff
Stan Hilkey, CDPS Executive Director
Chris Andrist, CBI Deputy Director
Jana Locke, Legislative Liaison, CDPS
Ronald C. Sloan, CBI Director
Terri Anderle, Budget Director, CDPS
AIC Dan Volz, CBI InstaCheck
Henry Sobanet, Director, Office of State Planning and Budgeting
Erick Scheminske, Deputy Director, Office of State Planning and Budgeting
Alice Wheet, Staff, Office of State Planning and Budgeting

