



COLORADO
Bureau of Investigation
Department of Public Safety

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

January 15, 2016

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

Dear Representative Hamner 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, 2015, the CBI InstaCheck Unit had a total of 37.2 FTE.

In the January 15, 2015 letter to the JBC, the Department estimated the fee for firearms background checks at \$7.05 but rounded it down to \$7.00. To calculate the fee for calendar year 2016, the Department used the cost categories shown below.

InstaCheck Firearms Background Check Fee Calculation		
Row	Description	Amount
A	Personal Services*	\$2,065,336.70
B	Overhead Expenses (10.7% of personal services cost)	\$220,991.03
C	Operating Expenses	\$386,149.55
D	Leased Space	\$190,752.40
E	Subtotal Expenses (Row A + Row B + Row C + Row D)	\$2,863,229.68
F	Decrease Expenses by Surplus Fund Balance	\$700,596.00
G	Total Expenses Less Surplus (Row E - Row F)	\$2,162,633.68
H	Number of Firearms Background Checks Processed	350,553
I	Fee per Firearms Background Check (Row G / Row H)	\$6.17

**NOTE: Payroll data for September through December 2015 has not been posted in the CORE accounting system. Therefore, the Department used data directly from the payroll system for those months.*

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. Applying an analysis that began in 2015, the Department estimates that using this amount of surplus over a two year period would reduce the cash fund balance to a 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 \$6.17 but will round it down to \$6.00. The CBI will communicate the change in fee with all its customers in the coming weeks.



Sincerely,



Michael Rankin, Director
Colorado Bureau of Investigation

Cc: JBC Members
Christina Beisel, JBC Staff
Stan Hilkey, CDPS Executive Director
Michael Rankin, CBI Director
Chris Andrist, CBI Deputy Director
Terri Anderle, Budget Director, CDPS
Jana Locke, Legislative Liaison, CDPS
AIC Dan Volz, CBI InstaCheck

