



COLORADO
Bureau of Investigation
 Department of Public Safety

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

February 8, 2018

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, 2017, the CBI InstaCheck Unit had a total of 42.0 FTE.

Since 2016 the fee for firearms background checks was set at \$6.00 to reduce the excess uncommitted reserve balance as required by 24-75-402 C.R.S. It remained at that amount until January 31, 2018. Beginning February 1, 2018, the Department increased the fee to \$15.00 per background check in order to match revenue earned with the projected expenses in the remaining months of FY 2017-18. Thereafter, the Department will reassess the fee.

The table below shows the major expenditure categories for CBI's InstaCheck Unit in Rows A through D and totals \$3,189,548. To match annual revenue with the expected expenses, the Department used two different time periods each with a different fee amount: \$6.00 per background check from July 1, 2017 to January 31, 2018; and \$15.00 per background check from February 1, 2018 to June 30, 2018.

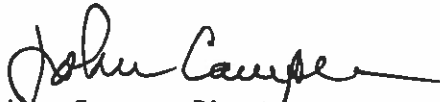
InstaCheck Firearms Background Check Fee Calculation		
Row	Description	Amount
A	Personal Services including benefits	\$2,303,747
B	Overhead Expenses (10.7% * Row A)	\$246,501
C	Operating Expenses including common policies	\$413,972
D	Leased Space	\$225,328
E	Subtotal Expenses (Row A + Row B + Row C + Row D)	\$3,189,548
F	Estimated number of background checks (July 2017 to Jan 2018)	215,657
G	Estimated revenue at \$6.00 per background check (Row F * \$6)	\$1,293,942
H	Estimated number of background checks (Feb to June 2018)	131,389
I	Estimated revenue at \$15.00 per background check (Row H * \$15)	\$1,970,835
J	FY 2017-18 Net income (revenue less expenses, Row G + Row I - Row E)	\$75,229

If the actual number of firearm background checks matches the annual projection, then the



Department expects revenue to exceed expenses by \$75,229 for FY 2017-18. The CBI will communicate the change in fee with all its customers in the coming weeks.

Sincerely,



John Camper, Director
Colorado Bureau of Investigation

Cc: JBC Members
Christina Beisel, JBC Staff
Stan Hilkey, CDPS Executive Director
John Camper, CBI Director
Chris Andrist, CBI Deputy Director
Terri Anderle, Budget Director, CDPS
Jana Locke, Strategic Communications Director, CDPS
Gabby Reed, Legislative Liaison, CDPS
AIC Dan Volz, CBI InstaCheck

