



DEPARTMENT OF AUDITS AND ACCOUNTS

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January 16, 2020

Honorable Zahra Karinshak
State Senator
314-A Coverdell Legislative Office Bldg.
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
Senate Bill (LC 41 2153)

Dear Senator Karinshak:

The bill would reinstate the Georgia Bureau of Investigation (GBI) as a point of contact for firearm background checks. GBI served as the point of contact for firearms background checks from July 1996 to June 2005 in a manner similar to this proposed legislation. However, under current law, background checks for firearm purchases are requested directly from the FBI's National Instant Criminal Background Check System (NICS).¹ This bill would require firearm dealers to obtain background checks for each potential firearm buyer or transferee from GBI's Georgia Crime Information Center (GCIC). Upon receipt of a request from a dealer, GCIC would review all criminal history and involuntary hospitalization records available to it (including but not limited to information within NICS) and inform the dealer of the inquiry results within one business day. GBI can charge a fee for background check services with no statutory maximum specified within the bill.

Cost to the Georgia Bureau of Investigation

We estimated the bill would require additional funding for GBI of approximately \$3.5 million in the first year, which includes approximately \$301,000 in one-time startup costs, and \$3.2 million annually to cover staffing and operational costs (see Exhibit 1). The costs are based on an estimated 346,000 firearm background checks annually, which is based on the average number of background checks requested of the federal NICS over the last five years.²

¹ Subsections (a) and (b) of O.C.G.A. §16-11-172 currently require the GBI to provide "criminal history information and wanted person records" and information on "persons who have been involuntarily hospitalized" to the FBI for conducting NICS checks.

² This does not include background checks for concealed or open carry weapon permits typically processed by probate courts or background checks on firearms conducted by law enforcement (e.g. on confiscated guns returned subsequent to crime scene investigation).

Exhibit 1: GBI Projected Program Costs

| Item | Startup Costs | Annual Costs |
|-------------------------|------------------|--------------------|
| Staffing (62 positions) | \$82,320 | \$3,158,423 |
| Modular Units | \$11,980 | \$26,460 |
| Utilities | \$150,000 | \$24,000 |
| Telecommunications | \$50,000 | |
| Office Furniture | \$6,400 | |
| Total Costs | \$300,700 | \$3,208,883 |

Most of the cost is due to the need for additional permanent and contract staff positions that are discussed in more detail below. Because GBI does not have the physical space to house all 62 staff, it would install modular units that have initial installation charges as well as ongoing monthly rental costs. Other one-time costs include \$150,000 to install utilities to the modular units, \$50,000 for telecommunications installation, and \$6,400 in office furniture. An ongoing annual cost of \$24,000 is expected for utilities to the modular units.

Staffing Costs

As detailed in **Exhibit 2**, the 62 staff³ include a senior business operations manager, three supervisors, and 19 analysts that would be GBI employees. It would also include 38 contract staff and a contract programmer. Contract staff would field calls from firearm dealers regarding potential firearm sales, run initial background checks on potential firearm purchasers, and provide responses to the dealers. GBI analysts would conduct follow-up research on transactions that did not yield a “proceed with sale” or “deny sale” decision and field inquiries from individuals who received a “delay sale” or “deny sale” response. The contract programmer will develop data entry systems for internal GBI staff use and develop invoicing and reporting capabilities.

As shown in Exhibit 2, the annual salaries range from \$29,049 for contract staff to \$74,800 for the program manager. In the first year, there would be startup costs associated with initial equipment and supplies for each position. In all years, in addition to salaries and benefits, the annual costs include equipment and administrative expenses, such as computer charges.

Exhibit 2: GBI Projected Staffing Costs

| Position Title | Number of Staff | Salary (per person) | Startup Costs (all staff) | Annual Costs ¹ |
|---------------------|--------------------------|---------------------|---------------------------|---------------------------|
| Program manager | 1 | \$74,759 | \$1,485 | \$124,835 |
| Analyst supervisor | 3 | \$66,158 | \$4,455 | \$335,833 |
| Analyst 2 | 19 | \$42,819 | \$28,215 | \$1,409,171 |
| Contract staff | 38 | \$29,049 | \$46,930 | \$1,216,274 |
| Contract programmer | 1 | \$69,350 | \$1,235 | \$72,310 |
| Total | 62 (23 permanent) | | \$82,320 | \$3,158,423 |

¹ Includes Salary, benefits, and other staffing related equipment (i.e. computers, phones) and administrative expenses.

³ This staffing projection is based on 2001 staffing levels, when 36 staff were needed to process approximately 200,000 background checks, and staffing operations occurring 9am-9pm seven days per week.

Potential Fee Revenue

When GBI served as the point of contact for these checks between 1996 and 2005, it charged the maximum statutory fee of \$5 per check. The bill permits GBI to charge a fee for the firearm background checks but does not provide a statutory maximum. Given an assumed 346,000 background checks, a \$5 fee would generate \$1.73 million. A fee of \$10 would generate \$3.46 million.

Sincerely,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget

GSG/KF/jw