



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 25-008: ADJUST NECESSARY DOCUMENT PROGRAM

**Prime Sponsors:**

Sen. Hinrichsen; Kipp  
Rep. Froelich

**Fiscal Analyst:**

Colin Gaiser, 303-866-2677  
colin.gaiser@coleg.gov

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**Version:** Initial Fiscal Note

**Date:** February 10, 2025

**Fiscal note status:** The fiscal note reflects the introduced bill.

### Summary Information

**Overview.** The bill makes adjustments to the Necessary Document Program in the Department of Public Health and Environment.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis beginning FY 2025-26:

- State Expenditures

**Appropriations.** No appropriation is required.

**Table 1  
State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$0	\$0
State Expenditures	\$0	\$70,354	\$40,801	\$22,631
Transferred Funds	\$0	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.3 FTE	2.0 FTE	1.1 FTE

<sup>1</sup> Fund sources for these impacts are shown in the table below.

**Table 1A  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
General Fund	\$0	\$48,945	\$0	\$0
Cash Funds	\$0	\$14,716	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0
Centrally Appropriated	\$0	\$6,693	\$40,801	\$22,631
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$70,354</b>	<b>\$40,801</b>	<b>\$22,631</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.3 FTE</b>	<b>2.0 FTE</b>	<b>1.1 FTE</b>

## Summary of Legislation

The bill makes adjustments to the Necessary Document Program in the Office of Health Equity in the Department of Public Health and Environment (CDPHE) beginning July 1, 2027. Specifically, the bill:

- eliminates CDPHE’s authority to contract with a vendor to administer the program;
- allows an individual eligible for the program to obtain necessary documents at no cost to the individual at participating Department of Motor Vehicles (DMV) locations, participating mobile units or authorized representatives that offer necessary documents, or participating vital statistics offices;
- establishes that an individual must provide verification of need by legal service providers, in addition to the standard identity verification requirements, to receive a necessary vital document other than a birth certificate; and,
- clarifies how the CDPHE may use its annual \$300,000 General Fund appropriation, including for reimbursements to the Department of Revenue (DOR) and the CDPHE for necessary documents issued at no cost to eligible individuals under the program.

## Background

The Necessary Document Program helps Colorado residents who are victims of domestic violence, impacted by a natural disaster, low-income, disabled, experiencing homelessness, or elderly pay the fees to acquire a necessary document. Necessary documents are defined as social security cards, driver licenses, identification cards, or a vital statistics report (such as a birth, death, or marriage certificate). The CDPHE currently contracts with a nonprofit organization or collection of non-profit organizations to implement the program. The program facilitates the issuance of approximately 10,500 documents per year.

## State Expenditures

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The bill increases state expenditures in the CDPHE and the DOR by about \$70,000 in FY 2026-27. In FY 2027-28 and ongoing years, expenditures represent centrally appropriated costs associated with new CDPHE staff. Expenditures are shown in Tables 2 and 2A and detailed below.

**Table 2**  
**State Expenditures**  
**All Departments**

<b>Department</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
Department of Public Health	\$0	\$55,638	\$40,801	\$22,631
Department of Revenue	\$0	\$14,716	\$0	\$0
<b>Total Costs</b>	<b>\$0</b>	<b>\$70,354</b>	<b>\$40,801</b>	<b>\$22,631</b>

### Public Health and Environment

Beginning in FY 2026-27, the CDPHE will have costs to establish the Necessary Document Program without a contracted organization. Specific costs are listed below.

#### Contractor Costs

Currently, the CDPHE is appropriated \$300,000 for the Necessary Document Program, which is used to contract with a vendor and to provide reimbursements for necessary documents. The vendor contract will be eliminated after FY 2027-28, and the program will be administered by the CDPHE within the same \$300,000 appropriation amount specified in the bill.

#### Staff

The CDPHE requires 0.3 FTE in FY 2026-27, 2.0 FTE in FY 2027-28, and 1.1 FTE in FY 2028-29 and ongoing years for staff in the Office of Health Equity and State Vital Records Office to administer the Necessary Documents Program. Capital outlay and standard operating costs are included.

#### Office of Health Equity

The Office of Health Equity (OHE) in the CDPHE requires 1.0 FTE from April 2026 until June 2027 for a project manager to coordinate with the DMV and Vital Records offices to set up and implement policies, procedures, and training; develop procedures for operations and reimbursement processing; and conduct quality improvement and assurance of the Necessary Document Program. Beginning in July 2027, this workload decreases to 0.6 FTE while staff continues to evaluate and update program policies and procedures, as well as serve as the main point of contact for the DMV and Vital Records offices.

**State Vital Records Office**

The state Vital Records Office requires 1.0 FTE in FY 2026-27 and 0.5 FTE in ongoing years for staff to collaborate with the OHE on developing new policies and procedures in the Necessary Documents Program and train staff in state and local Vital Records offices.

**Local Vital Records Offices**

The CDPHE operates 60 local Vital Records offices across the state, which serve as satellite offices for the state Vital Records office but function independently. Each participating office will receive \$5,000 annually from CDPHE to conduct the Necessary Document Program at a local level. While the fiscal note assumes only two local Vital Records will participate in the program, these costs may be higher if additional local offices participate.

**Software Updates**

The Colorado Vital Events System (COVES) software will need to be updated in FY 2026-27 to develop a new transaction type in the system to track necessary document requests, and develop a billing report to be used for reimbursement.

**Reimbursements for No-Cost Necessary Documents**

After accounting for administrative expenses, about \$109,000 in FY 2027-28 and \$192,000 in FY 2028-29 and ongoing years will be available to reimburse the DOR and the CDPHE for necessary documents provided at no cost to an eligible individual.

**Table 2A  
State Expenditures  
Department of Public Health and Environment**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>	<b>Out Year FY 2028-29</b>
Vendor Contract / Administration	\$0	\$0	(\$300,000)	(\$300,000)
Personal Services	\$0	\$31,891	\$171,560	\$96,411
Operating Expenses	\$0	\$384	\$2,560	\$1,408
Capital Outlay Costs	\$0	\$6,670	\$6,670	\$0
Local VRO Costs	\$0	\$0	\$10,000	\$10,000
COVES Software Update	\$0	\$10,000	\$0	\$0
Document Reimbursements	\$0	\$0	\$109,210	\$192,181
Centrally Appropriated Costs	\$0	\$6,693	\$40,801	\$22,631
<b>Total Costs</b>	<b>\$0</b>	<b>\$55,638</b>	<b>\$40,801</b>	<b>\$22,631</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.3 FTE</b>	<b>2.0 FTE</b>	<b>1.1 FTE</b>

## **Department of Revenue**

The DOR will have costs of \$14,716 in FY 2026-27 only, paid from the DRIVES Cash Fund, for programming to update the Driver License, Record, Identification, and Vehicle Enterprise Solution (DRIVES) system to accept a self-attestation and allow individuals to receive a credential with no fee. Programming is also required to create an account through which the Department can be reimbursed by the Office of Health Equity for the issuance of no-fee credentials.

## **Centrally Appropriated Costs**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in the expenditure tables above.

## **Technical Note**

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The bill reflects current statute to limit the direct and indirect costs in the CDPHE of administering the program to \$15,000. A similar amount is currently used by the CDPHE to administer the existing program using a contractor. With the CDPHE responsible for operating the program itself, rather than contracting, its administrative costs will be higher than \$15,000. For this initial analysis, the fiscal note assumes funds from the statutory \$300,000 appropriation will fund administrative costs above the \$15,000 threshold, with the remaining appropriation going toward document reimbursement.

## **Effective Date**

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State and Local Government Contacts**

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Human Services

Public Health and Environment

Local Affairs

Revenue

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).