



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-050: RACIAL CLASSIFICATIONS ON GOV FORMS

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Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the Senate State Affairs Committee.

Summary Information

Overview. The bill requires all state and local government entities to include specific categories when collecting racial and ethnic information, and to adhere to future revisions to federal standards.

Types of impacts. The bill is projected to affect the following areas in FY 2026-27 and conditionally in future years:

- State Expenditures
- Local Government
- Statutory Public Entity
- School Districts

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Future Year Conditional
State Revenue	\$0	\$0	\$0
State Expenditures (General Fund)	\$0	\$90,615	\$90,615
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill requires state and local government entities that collect population-level demographic data that is not individually identifiable to allow individuals to identify as Middle Eastern, North African, or South Asian or any other racial or ethnic category required by the federal Office of Management and Budget (OMB). The bill exempts state and local agencies who are collecting data for the federal government from the requirement if the change will cause the federal government to reject the data.

Background

The OMB sets the standards for race and ethnic data collection for federal agencies via the Statistical Policy Directive No. 15 (SPD 15): Standards for Maintaining, Collecting, and Presenting Federal Data on Race and Ethnicity. On [March 28, 2024, the OMB revised the SPD 15](#) to include “Middle Eastern or North African” as a minimum reporting category, among other requirements. Federal agencies must comply with these updates as soon as possible, and no later than March 28, 2029.

Assumptions

SPD 15 Requirements

SPD 15 may indirectly affect several agencies if federal agencies issue conforming requirements on reports created for them at the state and local level. Since:

- these conforming requirements have not yet been issued;
- the bill’s implementation date is before the implementation date of the recent changes to SPD 15;
- the bill includes “South Asian” as part of the new category; and,
- the recent changes to SPD 15 are subject to reversal;

the fiscal note assumes that none of the agency workload to implement this bill is duplicative of any work to conform with the recent change to SPD 15 discussed in the Background section.

Affected Departments

Several departments collect demographic information. However, only two—the Department of Education (CDE) and the Department of Public Safety (CDPS)—currently aggregate the data to de-identified population-level data that is not used for federal reporting purposes. These two departments will be subject to the bill’s requirements and will have to update their forms and corresponding databases to store the information. These programming costs will be incurred in FY 2026-27 and in any future year when SPD 15 is revised.

State Expenditures

The bill increases state expenditures by about \$90,000 in FY 2026-27 and in any future years where the SPD 15 is revised (conditional impact), as shown in Table 2. These are exclusively programming costs from the General Fund, with services provided by the Office of Information Technology (OIT) or contracted programmers. Amounts that will be reappropriated to OIT are shown in Table 2A, and amounts that will be expended directly by the department are shown in Table 2B.

**Table 2
 State Expenditures
 All Departments**

Department	Budget Year FY 2025-26	Out Year FY 2026-27	Future Year Conditional
Department of Education	\$0	\$72,875	\$72,875
Department of Public Safety	\$0	\$17,740	\$17,740
Total Cost	\$0	\$90,615	\$90,615

**Table 2A
 Programming Costs Reappropriated to OIT**

Department	Budget Year FY 2025-26	Out Year FY 2026-27	Future Year Conditional
Department of Education	\$0	\$0	\$0
Department of Public Safety	\$0	\$2,740	\$2,740
Total Cost	\$0	\$2,740	\$2,740

**Table 2B
 Internal Programming Costs**

Department	Budget Year FY 2025-26	Out Year FY 2026-27	Future Year Conditional
Department of Education	\$0	\$72,875	\$72,875
Department of Public Safety	\$0	\$15,000	\$15,000
Total Cost	\$0	\$87,875	\$87,875

Department of Education

CDE collects racial information about students throughout the state and routinely analyze the information at an aggregated level. The information is stored and adjusted in three systems to produce 15 aggregated databases, all of which will need to be updated.

Department of Public Safety

CDPS collects racial information, which is stored and adjusted in two systems to produce two state reports, one on domestic violence and sex offenders and one on community correction billings.

Local Governments, School Districts, and Statutory Public Entities

Similar to state agencies, local government agencies, school districts, and statutory public entities that collect demographic information will have costs to update forms and corresponding databases. Costs will vary based on the number of forms and the complexity of databases. Data entry staff may be required in some cases.

Effective Date

The bill takes effect September 1, 2026, assuming no referendum petition is filed.

State and Local Government Contacts

All State and Local Governments