



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1192: FINANCIAL LITERACY GRADUATION REQUIREMENT

Prime Sponsors:

Rep. Hartsook; Bacon

Sen. Bridges; Frizell

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0384

Version: Final Fiscal Note

Date: July 31, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill adds completion of financial aid applications to student career and academic plans and distributes money to high school counselors to encourage financial readiness.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Expenditures
- School Districts

Appropriations. For FY 2025-26, the bill requires and includes an appropriation of \$220,000 to the Departments of Education and Higher Education.

Table 1
State Fiscal Impacts

Type of Impact¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures ²	\$222,586	\$11,747
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.1 FTE	0.1 FTE

¹ Fund sources for these impacts are shown in the table below.

² As described in the State Expenditures section, the \$210,389 appropriated to the Colorado Department of Education is assumed to be spent over two years.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$220,450	\$9,611
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$2,136	\$2,136
Total Expenditures	\$222,586	\$11,747
Total FTE	0.1 FTE	0.1 FTE

Summary of Legislation

Beginning in the 2027-28 school year, the bill requires each student's individual career and academic plan (ICAP) to include practice filling out the Free Application for Federal Student Aid (FAFSA) or Colorado Application for State Financial Aid (CASFA). This requirement is waived if the student affirmatively declines or if school personnel determine it is not feasible for the student to complete the application. School districts must incorporate existing financial literacy standards into current courses required for high school graduation.

The bill requires the Department of Education (CDE) to distribute money to support school districts that do not currently offer a financial literacy course to offer one based on a formula that CDE determines. Any appropriations CDE receives for the implementation of the bill do not revert to the General Fund and can be used in through FY 2027-28. CDE may also accept gifts, grants and donations for supporting financial literacy courses.

State Expenditures

The bill increases state expenditures by about \$223,000 in FY 2025-26 and \$12,000 in FY 2026-27 and future years. These costs will be incurred by CDE and CDHE, as shown in Table 2 and described in the sections below. Costs are paid from the General Fund and appropriations to the CDE may be spent through FY 2027-28. The bill also minimally increases workload for institutions of higher education.

Table 2
State Expenditures
Departments of Education and Higher Education

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services (CDHE)	\$9,611	\$9,611
Student Pathways Distributions to Schools (CDE) ¹	\$210,839	\$0
Centrally Appropriated Costs (CDHE)	\$2,136	\$2,136
Total Costs	\$222,586	\$11,747
Total FTE	0.1 FTE	0.1 FTE

¹ This funding is assumed to be spent over two years, with about \$105,000 per year distributed to schools in FY 2025-26 and FY 2026-27.

Department of Education

The CDE will distribute a total of \$210,389 to local education providers. The fiscal note assumes that half of this appropriation will be distributed in FY 2025-26 and the other half will be distributed in FY 2026-27. This money can be directly distributed to local education providers within existing staff resources.

Department of Higher Education

The CDHE requires 0.1 FTE for a Director of Data Systems to maintain a web-based financial aid completion tracker tool. This staffing impact is ongoing.

Institutions of Higher Education

Financial aid offices at institutions of higher education will update their guidance to prospective students to conform with the bill's requirements. This additional workload will be minimal.

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 table above.

School Districts

Schools will adjust their high school coursework to ensure completion of current financial literacy standards and that students use FAFSA tools. This will increase workload for teachers and staff members. Additionally, guidance counselors may have additional workload to complete the required data reporting track student progress towards financial literacy.

Effective Date

The bill was signed into law by the Governor on May 23, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

State Appropriations

For FY 2025-26, the bill requires and includes the following General Fund appropriations:

- \$9,611 to the Department of Higher Education, and 0.1 FTE; and
- \$210,389 to the Department of Education, which may be spent through FY 2027-28.

State and Local Government Contacts

Education

School Districts

Higher Education