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Final Fiscal Note

Drafting Number: LLS 24-0695 Date: July 3, 2024
Prime Sponsors: Rep. Pugliese; Amabile Bill Status: Signed into Law
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Bill Topic: HEALTHIER SOCIAL MEDIA USE BY YOUTH

Summary of Fiscal Impact:
State Revenue [] State Transfer [] Local Government []
State Expenditure [x] TABOR Refund [] Statutory Public Entity []

The bill requires the creation of a resource bank related to the mental and physical health impacts of social media use, and that social media platforms display a pop-up warning to users under 18 who are on the platform for certain lengths of time. The bill increases state expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires and includes an appropriation of \$13,974 to the Colorado Department of Education.

Fiscal Note Status: The final fiscal note reflects the enacted bill.

Table 1
State Fiscal Impacts Under HB 24-1136

Table with 4 columns: Category, Budget Year FY 2024-25, Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

Social media platforms. By January 1, 2026, the bill requires that social media platforms either display a warning to a user who is under the age of 18 when the user has spent at least an hour on social media in a day, and is on social media between 10 p.m. and 6 a.m, or meet notification standards developed by the Office of Information Technology (OIT), Colorado Department of Public Health and Environment (CDPHE), and the stakeholder group discussed below. The bill specifies how frequently the warning must appear, and what must be included in the warning, including data on the impacts of social media.

Resource bank. By July 1, 2025, the bill requires that the Colorado Department of Education (CDE) create a resource bank of materials and curricula related to the mental and physical health impacts of social media use by youth, internet safety, and cybersecurity. CDE must also create a stakeholder group to assist with the resource bank and identify ways to inform local education providers, educators, parents, youth, and the public about the resources available. CDE must report on the use of the resource bank at the annual SMART Act hearing.

Assistance and guidelines. The bill also requires that CDE provide technical assistance upon request to local education providers in designing age-appropriate mental health curricula and adds mental health impacts of social media to existing guidelines related to local comprehensive health and student wellness programs.

State Expenditures

The bill increases state expenditures in CDE by \$17,500 in FY 2024-25 and \$11,400 beginning in FY 2025-26, paid from the General Fund. Costs are listed in Table 2 and discussed below.

Table 2
Expenditures Under HB 24-1136

	FY 2024-25	FY 2025-26
Department of Education		
Personal Services	\$13,974	\$9,378
Centrally Appropriated Costs ¹	\$3,610	\$2,029
Total Cost	\$17,584	\$11,407
Total FTE	0.2 FTE	0.1 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Department of Education. CDE requires 0.2 FTE in FY 2024-25 and 0.1 FTE beginning in FY 2025-26 to compile and maintain the resource bank, convene the stakeholder group, and provide technical assistance to local education providers upon request. CDE currently maintains resources banks for media literacy and comprehensive health, and the fiscal note assumes that the new resource bank can be added to those two existing resources. If a separate resource bank is required, costs will be about \$5,000 higher in FY 2024-25 than estimated.

CDPHE and OIT. In FY 2024-25 and FY 2025-26, the bill increases workload for OIT and CDPHE to develop alternative notification standards, in coordination with the stakeholder group administered by CDE. This work can be accomplished within current resources; no change in appropriations is required.

Department of Law. Workload in the Department of Law will minimally increase to the extent that the department receives complaints related to the compliance with the required social media pop-up warning. The department will review complaints under the bill and prioritize investigations as necessary within the overall number of complaints received and available resources.

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 Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Effective Date

The bill was signed into law by the Governor on June 6, 2024, and takes effect on August 7, 2024, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires and includes a General Fund appropriation of \$13,974 to the Colorado Department of Education, and 0.2 FTE.

State and Local Government Contacts

Education
Information Technology

Law

Public Health & Environment

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](#).