



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

<b>Drafting Number:</b>	LLS 24-0893	<b>Date:</b>	February 29, 2024
<b>Prime Sponsors:</b>	Rep. Bradley	<b>Bill Status:</b>	House Education
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**Bill Topic:** **DIGITAL EDUCATION MATERIALS**

<b>Summary of Fiscal Impact:</b>	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input checked="" type="checkbox"/> School District

The bill requires schools to terminate contracts with a digital collection provider if the vendor provides access to content that is harmful to students. The bill will increase state expenditures in FY 2024-25 only, and school district workload on an ongoing basis.

**Appropriation Summary:** For FY 2024-25, the bill requires an appropriation of \$43,700 to the Department of Education.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1**  
**State Fiscal Impacts Under HB 24-1247**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>		-	-
<b>Expenditures</b>	General Fund	\$43,700	-
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$6,355	-

## Summary of Legislation

Beginning July 1, 2024, the bill requires that contracts between a public school or district and a digital education provider include a termination clause ending the contract if, on three separate occasions, the provider enabled access to material harmful to students, as defined by the bill.

Parents, staff members, volunteers and students may report the access to harmful materials to the school. The digital education provider must be notified of any reports within one business day and subsequently remove the material from their collection.

Schools must notify parents of the digital collection and ensure that it does not contain material that is harmful. The school must also notify parents how to report harmful material.

The bill requires that schools notify parents of any contracts, and any changes to a contract with a public library for providing educational materials to children in the school. Finally, the number of reports of harmful material must be reported on an annual basis to the education committees of the General Assembly.

## State Expenditures

The bill will increase expenditures by \$43,700 in the Department of Education (CDE) for FY 2024-25 only. CDE will undertake approximately 350 hours of software development, business analysis, quality assurance, and user testing to develop the reporting database to receive the harmful materials reports from school districts.

## 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.

## School District

Schools will update their policies to modify contracts with digital education providers and distribute information to parents to comply with the bill. The exact costs for this workload will vary between school districts.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## **State Appropriations**

For FY 2024-25, the bill requires a General Fund appropriation of \$43,700 to the Department of Education.

## **State and Local Government Contacts**

Early Childhood

Education

School Districts

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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](#).