



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1158: DIGITAL EDUCATION MATERIALS

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**Prime Sponsors:**

Rep. Bradley; Joseph

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**Version:** Initial Fiscal Note

**Date:** February 3, 2025

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

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### Summary Information

**Overview.** The bill requires schools to terminate contracts with a digital collection provider if the collection contains advertisements, promotions, or embedded links.

**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 an appropriation of \$43,700 to the Department of Education.

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**Table 1**  
**State Fiscal Impacts**

<b>Type of Impact</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>
State Revenue	\$0	\$0
State Expenditures (General Fund)	\$43,700	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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Beginning July 1, 2026, the bill requires that contracts between a public school or district and a digital education provider include a termination clause ending the contract if the digital platform contains advertisements, promotions, or embedded links.

Parents, staff members, volunteers, and students may report the access to advertisements, promotions, or embedded links to the school. The provider must be notified of any reports within one business day and subsequently remove the material from their collection within three business days.

Schools must notify parents of the digital collection and ensure that it does not contain advertisements, promotions, or embedded links. The school must also notify parents how to report these items.

The bill requires that schools notify parents of any contracts, and any changes to a contract with a public library for providing educational materials students.

Finally, the Colorado Department of Education (CDE) must compile data on reported promotions, advertisements, and embedded links in digital collections and make periodic reports to the General Assembly.

## State Expenditures

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The bill will increase expenditures by \$43,700 in the CDE for FY 2025-26, with roll-forward spending authority required through FY 2026-27, paid from the General Fund. CDE will undertake approximately 350 hours of software development, business analysis, quality assurance, and user testing to develop the reporting database to receive reports from school districts. The workload to compile the reports is absorbable. See Technical Note.

## School District

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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.

## Technical Note

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CDE will not be able to implement the data collection until school year 2026-27.

## 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 Appropriations

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For FY 2025-26, the bill requires a General Fund appropriation of \$43,700 to the Department of Education, with roll-forward spending authority through FY 2026-27.

## State and Local Government Contacts

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Early Childhood  
Education

School Districts