



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

### HB 26-1016: CONTINUATION OF OPEN EDUC RESOURCES PROGRAM

**Prime Sponsors:**

Rep. Phillips

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

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### Summary Information

**Overview.** The bill continues the Open Educational Resources Council and Grant Program in the Department of Higher Education.

**Types of impacts.** The bill continues a program currently scheduled to repeal, which will extend existing fiscal impacts through FY 2031-32 in the following areas:

- State Expenditures

**Appropriations.** For FY 2026-27, the bill requires an appropriation of \$741,834 to the Department of Higher Education. See State Appropriations Section.

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

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$757,826	\$1,131,047
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.7 FTE	1.0 FTE

These impacts result from continuing a program scheduled to repeal. Fund source detail is provided in the table below.

**Table 1A**  
**State Expenditures**

<b>Fund Source</b>	<b>Budget Year</b> <b>FY 2026-27</b>	<b>Out Year</b> <b>FY 2027-28</b>
General Fund	\$741,834	\$1,108,202
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$15,992	\$22,845
<b>Total Expenditures</b>	<b>\$757,826</b>	<b>\$1,131,047</b>
<b>Total FTE</b>	<b>0.7 FTE</b>	<b>1.0 FTE</b>

## **Summary of Legislation**

The bill continues the Open Educational Resources Council and Grant Program for five years, through November 1, 2031. The council and grant program are currently scheduled to repeal on November 1, 2026. The bill also continues program reporting requirements for five years, through December 1, 2031.

In addition, the bill expands the council from 12 to 15 members and modifies the requirements for the annual open educational resources report completed by the Department of Higher Education (CDHE) to include the portion of courses that have zero textbook cost for students.

## **Background**

Open educational resources are teaching, learning, and research resources that reside in the public domain or have been released under an intellectual property license that permits free use and repurposing by others. The Open Educational Resources Council recommends policies for using these resources at institutions of higher education (IHEs), implements the Open Educational Resources Grant Program, provides professional development opportunities, and reports on the use of open educational resources in the state. The grant program provides funding for public IHEs, faculty, and staff to create and expand the use of open educational resources.

Since FY 2019-20, CDHE has been annually appropriated about \$1.1 million and 1.0 FTE from the General Fund for the grant program and council. The program was last extended by [Senate Bill 21-215](#).

## **Assumptions**

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Expenditures in FY 2026-27 are prorated for a November 1 start date, assuming that current program costs through November 1 will be included in the Long Bill. If these costs are not included in the Long Bill, program costs in FY 2026-27 will be the same as those identified for FY 2027-28.

## **State Expenditures**

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The bill increases state expenditures in the Department of Higher Education by about \$758,000 in FY 2026-27, and \$1.1 million per year in FY 2027-28 through FY 2031-32. These costs, paid from the General Fund, represent a continuation of current spending levels, and are summarized in Table 2 and discussed below.

**Table 2**  
**State Expenditures**  
**Department of Higher Education**

<b>Cost Component</b>	<b>Budget Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	\$62,802	\$89,718
Operating Expenses	\$896	\$1,280
Conferences & Training	\$33,333	\$50,000
Grant Program	\$631,136	\$946,704
OER Publishing & Repository	\$13,667	\$20,500
Centrally Appropriated Costs	\$15,992	\$22,845
<b>Total Costs</b>	<b>\$757,826</b>	<b>\$1,131,047</b>
<b>Total FTE</b>	<b>0.7 FTE</b>	<b>1.0 FTE</b>

## **Department of Higher Education**

The total cost to implement the Open Educational Resources program is expected to continue unchanged under the bill; however, the breakdown between administrative costs, grants, and training costs have been updated to reflect new information since the program was last renewed.

## **Staff**

The bill continues the existing 1.0 FTE for the Director of Open Education at CDHE. The FTE supports the council, implementation of professional development and training, reporting program outcomes to the legislature and maintaining the repository of open educational

materials. Costs include salary and benefits for the position and include annualizations and required salary increases since the council was last extended. First-year costs are prorated for a November 1 start date.

### Conferences & Trainings

The bill continues funding for the annual state Open Educational Resources conference, webinars and in-person trainings for institutions and staff, and professional development funding. This amount is estimated at \$50,000, which reflects recent growth in the number of conference participants. This amount will also cover travel costs associated with expanding council membership, but these are assumed to be minimal because most council meetings are held online. First-year costs are prorated for a November 1 start date.

### Open Educational Resource Publishing & Repository

The bill continues funding for publishing and web maintenance for open educational resources created and published in the state and the associated online repository for such resources through the Colorado Pressbook Network. This amount is estimated at \$20,500, and reflects a new cost since the program was last extended. First-year costs are prorated for a November 1 start date.

### Grant Program

After accounting for administration and training costs, \$946,000 is available for grants to IHEs, faculty and staff. According to the most recent program report, 26 grants to 16 institutions were awarded in FY 2024-25. First-year costs are prorated for a November 1 start date.

### Institutions of Higher Education

The bill continues grant awards to IHEs, and increases workload for faculty and staff who participate in the council and receive training. In addition, adding three additional council members increases workload for the institutions represented by the new members.

### 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 may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above.

## **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 2026-27, the bill requires a General Fund appropriation of \$741,834 to the Department of Higher Education, and 0.7 FTE. If an appropriation for the first four months of FY 2026-27 is not included in the Long Bill, the bill will require a General Fund appropriation of \$1,108,200 to the Department of Higher Education, and 1.0 FTE.

## **State and Local Government Contacts**

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