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Fiscal Note

Drafting Number: LLS 22-0772 Date: February 7, 2022
Prime Sponsors: Rep. Herod; McCluskie; Sen. Hansen; Rankin Bill Status: House Appropriations
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Bill Topic: FUND JUST TRANSITION COAL WORKFORCE PROGRAMS

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

The bill adjusts funding for the Office of Just Transition in the Department of Labor and Employment that supports programs to assist workers and communities impacted by the transition away from a coal-based economy.

Appropriation Summary: For the current FY 2021-22, the bill includes an appropriation of \$1.95 million to multiple agencies. For FY 2022-23, the bill includes an appropriation of \$2.56 million to the Department of Labor and Employment.

Fiscal Note Status: The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2021-22 supplemental budget package.

Table 1
State Fiscal Impacts Under HB 22-1193

Table with 4 columns: Category, Current Year FY 2021-22, Budget Year FY 2022-23, Out Year FY 2023-24. Rows include Revenue, Expenditures (Cash Funds, Total Expenditures, Total FTE), Transfers (Cash Funds, Net Transfer), and Other Budget Impacts.

1 The bill transfers funds from the Coal Transition Workforce Assistance Program Account to the Just Transition Cash Fund.

Summary of Legislation

The Office of Just Transition (office) was created in 2019 in the Department of Labor and Employment (CDLE) to assist workers and communities impacted by the transition away from a coal-based economy. The bill adjusts funding for programs under the office. This includes:

- a \$2,000,000 transfer in FY 2021-22 from the Coal Transition Workforce Assistance Program Account to the Just Transition Cash Fund;
- an appropriation of \$1,295,000 in FY 2021-22 and \$555,000 in FY 2022-23 to the CDLE from the Just Transition Cash Fund;
- an appropriation of \$500,000 in FY 2021-22, and 1.0 FTE, and \$2,000,000 in FY 2022-23 to the CDLE from the Coal Transition Workforce Assistance Program Account; and
- an appropriation of \$150,000 in FY 2021-22 only to the Carbon Ore, Rare Earth, and Critical Materials (CORE-CM) Initiative at Colorado School of Mines from the Just Transition Cash Fund.

The bill also repeals a FY 2020-21 appropriation to the Coal Transition Workforce Assistance Program and reduces the program's statutory spending requirement.

State Transfers

In the current FY 2021-22, the bill requires a \$2,000,000 transfer from the Coal Transition Workforce Assistance Program Account to the Just Transition Cash Fund.

State Expenditures

Based on the adjustments in appropriations described above, the bill will increase cash fund expenditures by \$1.95 million in the current FY 2021-22 and by \$2.56 million in FY 2022-23. Affected programs include the Coal Transition Workforce Assistance Program and the Just Transition Action Plan in the CDLE, as well as the CORE-CM initiative at the Colorado School of Mines, which will focus on Colorado coal basins and identify and characterize sites in Colorado for critical mineral extraction.

Effective Date

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

State Appropriations

For the current FY 2021-22, the bill includes the following appropriations:

- \$1,295,000 to the Department of Labor and Employment from the Just Transition Cash Fund;
- \$500,000 to the Department of Labor and Employment from the Coal Transition Workforce Assistance Program Account and 1.0 FTE; and
- \$150,000 to the Colorado School of Mines from the Just Transition Cash Fund.

For FY 2022-23, the bill includes the following appropriations:

- \$555,000 to the Department of Labor and Employment from the Just Transition Cash Fund; and
- \$2,000,000 to the Department of Labor and Employment from the Coal Transition Workforce Assistance Program Account.

The bill also repeals a \$7.0 million appropriation from the prior year, FY 2020-21, to the CDLE from Coal Transition Workforce Assistance Program Account, which the CDLE was permitted to spend through FY 2022-23.

State and Local Government Contacts

Labor and Employment

Joint Budget Committee