



State Legislative Council Staff
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Final Fiscal Note

Drafting Number: LLS 22-1035 **Date:** September 12, 2022
Prime Sponsors: Rep. Esgar; Roberts **Bill Status:** Signed into Law
 Sen. Winter; Donovan **Fiscal Analyst:** Erin Reynolds | 303-866-4146
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Bill Topic: FUND JUST TRANSITION COMMUNITY & WORKER SUPPORTS

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill provides and further appropriates funding to the Department of Labor and Employment for the Office of Just Transition and Coal Transition Worker Assistance Programs. It creates a one-time state transfer in FY 2022-23, and will increase state and local expenditures through FY 2026-27.

Appropriation Summary: For FY 2022-23, the bill requires and includes an appropriation of \$15.0 million to the Department of Labor and Employment.

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

Table 1
State Fiscal Impacts Under HB 22-1394

		Budget Year FY 2022-23	Out Year FY 2023-24
Revenue		-	-
Expenditures¹	Cash Funds	\$15.0 million	-
	Total Expenditures	\$15.0 million	-
Transfers	General Fund	(\$15.0 million)	-
	Just Transition Cash Fund	\$5.0 million	-
	Coal Transition Workforce Assistance Program Account	\$10.0 million	-
	Net Transfer	\$0	-
Other Budget Impacts		-	-

¹ Expenditures will be incurred through FY 2025-26 for the Just Transition Cash Fund and through FY 2026-27 for the Coal Transition Workforce Assistance Program Account.

Summary of Legislation

The bill provides funding to the Department of Labor and Employment (CDLE) for the Office of Just Transition and Coal Transition Worker Assistance Programs, by transferring \$15.0 million on July 1, 2022 from the General Fund to CDLE as follows:

- \$5.0 million to the Just Transition Cash Fund to support targeted economic development for expansion assistance for existing local businesses; expanding private financial investment; and site selector and technical assistance engagements, to be spent by the close of FY 2025-26; and
- \$10.0 million to the Coal Transition Worker Assistance Program Account in the Just Transition Cash Fund to directly assist coal transition workers, their family members, and other household members, including coal transition workers, their family members, and their household members who are members of a disproportionately impacted community with tuition assistance and apprenticeships; expanded child care assistance; career planning services; financial counseling; and housing assistance, to be spent by the close of FY 2026-27.

The bill also extends spending authority for prior and budget year appropriations to the Office of Just Transition through FY 2023-24.

Background

House Bill 19-1314 created the Office of Just Transition in CDLE. House Bill 21-1290 provided \$15.0 million in funding to the program. House Bill 22-1193 adjusted program funding. The Just Transition Action Plan is available at: <https://cdle.colorado.gov/the-office-of-just-transition>. For CDLE's list of coal transition communities, see: <https://cdle.colorado.gov/coal-in-colorado>.

State Transfers

On July 1, 2022, the bill transfers \$15.0 million from the General Fund of which \$5.0 million is deposited into the Just Transition Cash Fund, and \$10.0 million is deposited into the Coal Transition Worker Assistance Program Account.

State Expenditures

The CDLE will use existing staff to distribute additional and continuing program funding; no change in appropriations is required.

Local Government

CDLE has identified the following counties as coal transition communities: El Paso, Gunnison, La Plata, Larimer, Moffat, Montrose, Morgan, Pueblo, Rio Blanco, and Routt counties. It is expected that local government entities in these areas of the state will receive just transition funding. These entities will have an increase in workload to administer these funds.

Effective Date

The bill was signed into law by the Governor and took effect on June 8, 2022.

State Appropriations

For FY 2022-23, the bill requires and includes the following appropriations to the Department of Labor and Employment:

- \$5,000,000 from the Just Transition Cash Fund, which may be spent through FY 2025-26; and
- \$10,000,000 from the Coal Transition Worker Assistance Program Account of the Just Transition Cash Fund, which may be spent through FY 2026-27.

The bill also includes an extension of prior and budget year spending authority to the CDLE through FY 2023-24 as follows:

- \$8.0 million (appropriated for FY 2020-21);
- \$1.3 million (appropriated for FY 2021-22); and
- \$555,000 (appropriated for FY 2022-23).

State and Local Government Contacts

Labor