# First Regular Session Seventy-third General Assembly STATE OF COLORADO

## **REVISED**

This Version Includes All Amendments Adopted on Second Reading in the Second House

LLS NO. 21-0902.01 Jason Gelender x4330

**HOUSE BILL 21-1290** 

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## A BILL FOR AN ACT

101	CONCERNING FUNDING TO PROVIDE JUST TRANSITION FOR COAL
102	TRANSITION WORKERS AND COAL TRANSITION COMMUNITIES,
103	AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

## **Bill Summary**

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <a href="http://leg.colorado.gov">http://leg.colorado.gov</a>.)

The bill makes general fund transfers of \$8 million to the just transition cash fund (fund) and \$7 million to a newly created coal transition worker assistance program account (account) in the fund. The just transition office (office) is required to expend at least 70% of the money transferred to the fund in state fiscal year (FY) 2021-22 and any

SENATE nd Reading Unamended June 1, 2021

HOUSE rd Reading Unamended May 20, 2021

HOUSE Amended 2nd Reading May 19, 2021

Shading denotes HOUSE amendment. <u>Double underlining denotes SENATE amendment.</u>

Capital letters or bold & italic numbers indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

remaining money in state FY 2022-23 to implement the final just transition plan for Colorado and to provide supplemental funding for existing state programs that the office identifies as the most effective vehicles for targeted investment in coal transition communities. In expending the money, the office is required to develop specific criteria for prioritizing the expenditures, emphasize investment in tier one transition communities, as defined by the bill, and support specified types of programs in accordance with specified requirements and limitations.

Subject to specified requirements and limitations, the department of labor and employment is required to expend at least 70% of the money transferred to the account in state FY 2021-22 and any remaining money in state FY 2022-23 first for assistance programs that directly assist coal transition workers and then, if money remains, to support family and other household members of coal transition workers and create and implement a pilot program to test innovative coal transition work support programs.

The bill also amends and supplements existing definitions of "coal transition community" and "coal transition worker" to improve the implementation of just transition.

Be it enacted by the General Assembly of the State of Colorado:

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2 **SECTION 1.** In Colorado Revised Statutes, 8-83-502, amend (1) 3 (2), and (9); and **add** (1.5), (10), (11), (12), and (13) as follows: 4 **8-83-502. Definitions.** As used in this part 5, unless the context 5 otherwise requires: 6 (1) "Coal transition community" means a COLORADO 7 municipality, county, or region that has been affected in the previous 8 twelve months, or that demonstrates it will be impacted in the next 9 thirty-six months, by the loss of fifty or more jobs in total from a coal 10 mine, coal-fueled electrical power generating plant, or the manufacturing 11 and transportation supply chains of either WHERE A COAL TRANSITION 12 FACILITY OR A CENTER FOR THE MANUFACTURING OR TRANSPORTATION 13 SUPPLY CHAIN OF A COAL TRANSITION FACILITY WAS OR IS LOCATED. "COAL TRANSITION FACILITY" MEANS A COLORADO 14 (1.5)

-2- 1290

COAL-FUELED ELECTRICAL POWER GENERATING PLANT THAT WAS IN OPERATION AT ANY TIME IN 2017, or a Colorado coal mine that was actively producing at any time in 2017.

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- (2) "Coal transition worker" means a Colorado worker laid off from employment on or after May 28, 2019, in a coal mine, coal-fueled electrical power generating plant, or the manufacturing and transportation supply chains of either RESIDENT WHO WORKS OR WORKED IN A COAL TRANSITION FACILITY OR IN THE MANUFACTURING OR TRANSPORTATION SUPPLY CHAIN OF A COAL TRANSITION FACILITY.
- (9) "Wage differential benefit" means supplemental income covering all or part of the difference between an individual's previous employment in a coal mine, coal-fueled electrical power generating plant, or the manufacturing and transportation supply chains of either and new employment or supplemental income during job retraining. "TIER ONE COAL TRANSITION WORKER" MEANS A COAL TRANSITION WORKER WHO WAS LAID OFF ON OR AFTER JANUARY 1, 2017, OR WHO THE DIRECTOR DETERMINES IS REASONABLY LIKELY TO BE LAID OFF IN THE FUTURE, FROM EMPLOYMENT IN A COAL TRANSITION FACILITY OR THE MANUFACTURING OR TRANSPORTATION SUPPLY TRAIN OF A COAL TRANSITION FACILITY IF THE PROXIMATE CAUSE OF THE ACTUAL OR ANTICIPATED LOSS OF EMPLOYMENT IS EITHER THE CLOSURE OR CONVERSION OF A COAL-FUELED ELECTRICAL POWER GENERATING PLANT IN COLORADO OR A CONTIGUOUS STATE OR WHAT THE DIRECTOR DETERMINES TO BE A SUSTAINED AND LIKELY PERMANENT DECLINE IN BROADER COAL MARKETS DUE TO SIMILAR CLOSURES OR CONVERSIONS NATIONALLY AND GLOBALLY.
- (10) "TIER ONE TRANSITION COMMUNITY" MEANS A COAL TRANSITION COMMUNITY THAT THE DIRECTOR, WITH THE CONCURRENCE

-3-

1	OF THE EXECUTIVE DIRECTORS OF THE DEPARTMENT AND THE
2	DEPARTMENT OF LOCAL AFFAIRS, DETERMINES HAS ALREADY
3	EXPERIENCED OR IS AT RISK OF EXPERIENCING SIGNIFICANT ECONOMIC
4	DISRUPTION, THE PROXIMATE CAUSE OF WHICH IS EITHER THE CLOSURE OR
5	CONVERSION OF A COAL-FUELED ELECTRICAL POWER GENERATING PLANT
6	IN COLORADO OR A CONTIGUOUS STATE OR A SUSTAINED AND LIKELY
7	PERMANENT DECLINE IN BROADER COAL MARKETS DUE TO SIMILAR
8	CLOSURES OR CONVERSIONS NATIONALLY AND GLOBALLY.
9	(11) "Tier two coal transition worker" means a coal
10	TRANSITION WORKER WHO IS NOT A TIER ONE COAL TRANSITION WORKER.
11	(12) "TIER TWO TRANSITION COMMUNITY" MEANS A COAL
12	TRANSITION COMMUNITY THAT THE DIRECTOR, WITH THE CONCURRENCE
13	OF THE EXECUTIVE DIRECTORS OF THE DEPARTMENT AND THE
14	DEPARTMENT OF LOCAL AFFAIRS, DETERMINES HAS NOT YET MET THE
15	CRITERIA REQUIRED TO BE A TIER ONE TRANSITION COMMUNITY.
16	(13) "Wage differential benefit" means supplemental
17	INCOME COVERING ALL OR PART OF THE DIFFERENCE BETWEEN AN
18	INDIVIDUAL'S PREVIOUS EMPLOYMENT IN A COAL MINE, COAL-FUELED
19	ELECTRICAL POWER GENERATING PLANT, OR THE MANUFACTURING AND
20	TRANSPORTATION SUPPLY CHAINS OF EITHER AND NEW EMPLOYMENT OR
21	SUPPLEMENTAL INCOME DURING JOB RETRAINING.
22	<b>SECTION 2.</b> In Colorado Revised Statutes, 8-83-504, <b>amend</b> (1);
23	and <b>add</b> (4) as follows:
24	8-83-504. Just transition cash fund - transfer from general
25	<b>fund.</b> (1) There is hereby created in the state treasury the just transition
26	cash fund. The fund consists of money credited to the fund and any other
27	money that the general assembly may appropriate or transfer to the fund.

-4- 1290

The state treasurer shall credit all interest and income derived from the
deposit and investment of money in the fund to the fund. Subject to
annual appropriation by the general assembly, the office may expend
money from the fund AND THE DEPARTMENT MAY EXPEND MONEY FROM
THE COAL TRANSITION WORKFORCE ASSISTANCE PROGRAM ACCOUNT OF
THE FUND CREATED IN SECTION 8-83-504.5 (1) for purposes specified in
this part 5, including paying for the office's direct and indirect costs in
administering this part 5.
(4) (a) On the effective date of this subsection (4)(a), the
STATE TREASURER SHALL TRANSFER EIGHT MILLION DOLLARS FROM THE
GENERAL FUND TO THE FUND. SUBJECT TO ANNUAL APPROPRIATION BY
THE GENERAL ASSEMBLY, THE OFFICE SHALL EXPEND THE MONEY
TRANSFERRED TO IMPLEMENT THE FINAL JUST TRANSITION PLAN FOR
Colorado Prepared as required by Section 8-83-503 (4) and to
PROVIDE SUPPLEMENTAL FUNDING FOR EXISTING STATE PROGRAMS THAT
THE OFFICE IDENTIFIES AS THE MOST EFFECTIVE VEHICLES FOR TARGETED
INVESTMENT IN COAL TRANSITION COMMUNITIES. IN PROVIDING SUCH
SUPPLEMENTAL FUNDING, THE OFFICE SHALL PLACE A HEAVY EMPHASIS ON
INVESTMENT IN TIER ONE TRANSITION COMMUNITIES AND SHALL SUPPORT
PROGRAMS THAT:
(I) SUPPORT TARGETED ECONOMIC DEVELOPMENT;
(II) ASSIST WITH REGIONAL CAPACITY FOR COORDINATION OF
ECONOMIC DEVELOPMENT PROGRAMS AND WORKER ASSISTANCE

- PROGRAMS;
- (III) SUPPORT INFRASTRUCTURE PROJECTS AND WORKFORCE DEVELOPMENT PROGRAMS; OR
  - (IV) ARE CONSISTENT WITH THE GOALS AND STRATEGIES

-5-

1	OUTLINED IN THE FINAL JUST TRANSITION PLAN.
2	(b) In addition to the requirements set forth in subsection
3	(4)(a) OF THIS SECTION, THE OFFICE SHALL EXPEND MONEY TRANSFERRED
4	TO THE FUND PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION IN
5	ACCORDANCE WITH THE FOLLOWING REQUIREMENTS AND LIMITATIONS:
6	(I) THE OFFICE SHALL CONSULT WITH THE JUST TRANSITION
7	ADVISORY COMMITTEE ON EXPENDITURE DECISIONS AND PRIORITIZE THE
8	EXPENDITURE OF THE MONEY IN A MANNER CONSISTENT WITH THE FINAL
9	JUST TRANSITION PLAN AND THE LEVEL OF SUPPORT FOR ANY GIVEN
10	PROPOSED EXPENDITURE FROM COAL TRANSITION COMMUNITIES AND
11	STATE ACTION TEAMS FORMED TO ASSIST WITH THE DEVELOPMENT OF
12	RURAL ECONOMIC DIVERSIFICATION AND TRANSITION ROADMAPS AS SET
13	FORTH IN THE FINAL JUST TRANSITION PLAN.
14	(II) THE OFFICE MAY PROVIDE FOR THE TRANSFER OF MONEY FROM
15	THE FUND TO OTHER STATE AGENCIES ONLY IF THE TRANSFER IS APPROVED
16	BY THE DIRECTOR, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT, THE
17	EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS, AND THE
18	EXECUTIVE DIRECTOR OF THE COLORADO OFFICE OF ECONOMIC
19	DEVELOPMENT;
20	(III) THE OFFICE SHALL EXPEND AT LEAST SEVENTY PERCENT OF
21	THE MONEY BY THE CLOSE OF STATE FISCAL YEAR 2021-22 AND SHALL
22	EXPEND ANY REMAINING MONEY BY THE CLOSE OF STATE FISCAL YEAR
23	2022-23; AND
24	(IV) THE DEPARTMENT IS AUTHORIZED TO USE UP TO FIVE PERCENT
25	OF THE MONEY TO FUND OPERATIONAL SUPPORT FOR THE OFFICE'S
26	EXPENDITURE OF THE MONEY INCLUDING FUNDING FOR THE
27	COMPENSATION OF EXISTING OFFICE EMPLOYEES.

-6- 1290

1	(c) Subject to the requirements of this subsection (4) and
2	NOTWITHSTANDING ANY OTHER LAW, THE OFFICE MAY EXPEND MONEY
3	FROM THE FUND TO MAKE GRANTS TO ANY ELIGIBLE ENTITY AND A STATE
4	AGENCY TO WHICH A TRANSFER OF MONEY FROM THE FUND IS MADE
5	PURSUANT TO THIS SUBSECTION (4) MAY EXPEND THE MONEY
6	TRANSFERRED TO MAKE GRANTS TO ANY ELIGIBLE ENTITY.
7	SECTION 3. In Colorado Revised Statutes, add 8-83-504.5 as
8	follows:
9	8-83-504.5. Additional coal transition workforce assistance
10	program funding - coal transition worker assistance program
11	account. (1) The coal transition worker assistance program
12	ACCOUNT IS HEREBY CREATED IN THE FUND. ON THE EFFECTIVE DATE OF
13	THIS SUBSECTION (1), THE STATE TREASURER SHALL TRANSFER SEVEN
14	MILLION DOLLARS FROM THE GENERAL FUND TO THE WORKFORCE
15	ASSISTANCE PROGRAM ACCOUNT. SUBJECT TO ANNUAL APPROPRIATION BY
16	THE GENERAL ASSEMBLY, THE DEPARTMENT SHALL EXPEND MONEY FROM
17	THE ACCOUNT FOR COAL TRANSITION WORKER ASSISTANCE PROGRAMS
18	SUBJECT TO THE FOLLOWING REQUIREMENTS AND LIMITATIONS:
19	(a) THE MONEY MUST BE EXPENDED FIRST FOR PROGRAMS THAT
20	DIRECTLY ASSIST COAL TRANSITION WORKERS INCLUDING PROGRAMS
21	THAT:
22	(I) ESTABLISH OR EXPAND EXISTING APPRENTICESHIP PROGRAMS,
23	THE TRAINING CAPACITY OF SUCH PROGRAMS, AND THE PLACEMENT OF
24	COAL TRANSITION WORKERS INTO SUCH PROGRAMS, PRIORITIZING
25	PROGRAMS THAT ARE RECOGNIZED AS REGISTERED APPRENTICESHIP
26	PROGRAMS BY THE DEPARTMENT OR ARE INDUSTRY-RECOGNIZED
27	APPRENTICESHIP PROGRAMS THAT SATISFY UNITED STATES DEPARTMENT

-7- 1290

1	OF LABOR REQUIREMENTS FOR SUCH PROGRAMS;
2	(II) AID IMPLEMENTATION OF THE FINAL JUST TRANSITION PLAN;
3	(III) PROVIDE TUITION REIMBURSEMENT;
4	(IV) PROVIDE JOB SEARCH ASSISTANCE;
5	(V) PROVIDE INDIVIDUALIZED FINANCIAL AND TRANSITION
6	PLANNING; OR
7	(VI) PROVIDE OTHER SERVICES AUTHORIZED BY THE FEDERAL
8	"Workforce Innovation and Opportunity Act", Pub.L. 113-128,
9	SUCH AS ON-THE-JOB TRAINING, SUBSIDIZED EMPLOYMENT, AND OTHER
10	STRATEGIES THAT AID IN THE IMPLEMENTATION OF INDIVIDUAL
11	TRANSITION PLANS;
12	(b) IF MONEY REQUIRED BY SUBSECTION (1)(c) OF THIS SECTION TO
13	BE EXPENDED DURING STATE FISCAL YEAR 2021-22 OR DURING STATE
14	FISCAL YEAR 2022-23 REMAINS UNEXPENDED AS OF MARCH 1 OF THE
15	APPLICABLE STATE FISCAL YEAR AFTER EXPENDITURES ARE MADE
16	PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, ADDITIONAL
17	EXPENDITURES SHALL BE MADE DURING THE APPLICABLE STATE FISCAL
18	YEAR:
19	(I) TO SUPPORT FAMILY MEMBERS OR OTHER HOUSEHOLD
20	MEMBERS OF COAL TRANSITION WORKERS; AND
21	(II) TO CREATE AND IMPLEMENT A PILOT PROGRAM TO TEST
22	INNOVATIVE COAL TRANSITION WORK SUPPORT PROGRAMS. THE
23	DEPARTMENT IS ENCOURAGED TO LIMIT ANY PILOT PROGRAM TO NO MORE
24	THAN FORTY COAL TRANSITION WORKERS OR COAL TRANSITION WORKER
25	HOUSEHOLDS.
26	(c) THE DEPARTMENT SHALL EXPEND AT LEAST SEVENTY PERCENT
27	OF THE MONEY BY THE CLOSE OF STATE FISCAL YEAR 2021-22 AND SHALL

-8- 1290

1	EXPEND ANY REMAINING MONEY BY THE CLOSE OF STATE FISCAL YEAR
2	2022-23;
3	(d) THE DEPARTMENT IS AUTHORIZED TO USE UP TO FIVE PERCENT
4	OF THE MONEY TO FUND OPERATIONAL SUPPORT FOR THE ACTIVITIES
5	AUTHORIZED BY THIS SECTION INCLUDING FUNDING FOR THE
6	COMPENSATION OF ONE ADDITIONAL FULL-TIME EQUIVALENT EMPLOYEE.
7	(2) Subject to the requirements of subsection (1) of this
8	SECTION, THE OFFICE MAY EXPEND MONEY FROM THE WORKFORCE
9	ASSISTANCE PROGRAM ACCOUNT TO MAKE GRANTS TO ANY ELIGIBLE
10	ENTITY.
11	<b>SECTION 4.</b> Appropriation. (1) For the 2020-21 state fiscal
12	year, \$8,000,000 is appropriated to the department of labor and
13	employment for use by the division of employment and training, just
14	transition office. This appropriation is from the just transition cash fund
15	created in section 8-83-504 (1) C.R.S., and is based on an assumption that
16	the department will require an additional 1.0 FTE. To implement this act,
17	the department may use this appropriation for the purposes specified in
18	section 8-83-504 (4), C.R.S. Any money appropriated in this section not
19	expended prior to July 1, 2021, is further appropriated to the just
20	transition office for the 2021-22 and 2022-23 state fiscal years for the
21	same purpose.
22	(2) For the 2020-21 state fiscal year, \$7,000,000 is appropriated
23	to the department of labor and employment. This appropriation is from
24	the coal transition worker assistance program account of the just
25	transition cash fund created in section 8-83-504.5 (1), C.R.S., and is
26	based on an assumption that the department will require an additional 1.0
27	FTE. To implement this act, the department may use this appropriation

-9- 1290

- for the purposes specified in section 8-83-504.5, C.R.S. Any money appropriated in this section not expended prior to July 1, 2021, is further appropriated to the department for the 2021-22 and 2022-23 state fiscal years for the same purpose.

  SECTION 5. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate
- 7 preservation of the public peace, health, or safety.

-10- 1290