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HOUSE BILL 22-1394

BY REPRESENTATIVE(S) Esgar and Roberts, Will, Bacon, Bernett, Bird, Boesenecker, Caraveo, Catlin, Cutter, Duran, Exum, Froelich, Herod, Hooton, Jodeh, Kipp, Lindsay, Lontine, McCluskie, McCormick, McLachlan, Michaelson Jenet, Mullica, Ricks, Sirota, Snyder, Soper, Sullivan, Titone, Valdez A., Valdez D., Young, Kennedy, Ortiz; also SENATOR(S) Winter and Donovan, Bridges, Danielson, Ginal, Gonzales, Hansen, Hinrichsen, Jaquez Lewis, Kolker, Pettersen, Rankin, Rodriguez, Simpson, Sonnenberg, Story, Fenberg.

CONCERNING FUNDING FOR JUST TRANSITION PROGRAMS TO ASSIST COMMUNITIES WITH ECONOMIC TRANSITIONS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 8-83-504, **amend** (1), (4)(b)(II), (4)(b)(III), and (4)(b)(IV); and **amend** (4)(a) as (4)(a) introductory portion is **amended by House Bill 22-1193** as follows:

8-83-504. Just transition cash fund - transfer from general fund - transfer from account - definition - repeal. (1) There is hereby created in the state treasury the just transition cash fund. The fund consists of

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

money credited to the fund in accordance with section 39-29-108 (2)(d) and any other money that the general assembly may appropriate or transfer to the fund. 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. ANY UNEXPENDED AND UNENCUMBERED MONEY IN THE FUND AT THE END OF ANY FISCAL YEAR REMAINS IN THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND.

(4) (a) (I) (A) On June 30, 2021, the state treasurer shall transfer eight million dollars from the general fund to the fund.

~~(B) On the effective date of the introductory portion to this subsection (4)(a), as amended MARCH 7, 2022, the state treasurer shall transfer two million dollars from the account to the fund.~~

(C) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER FIVE MILLION DOLLARS FROM THE GENERAL FUND TO THE FUND.

(II) Subject to annual appropriation by the general assembly, the office shall expend the money transferred to the fund pursuant to this subsection (4)(a) 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:

~~(H)~~ (A) Support targeted economic development;

~~(H)~~ (B) Assist with regional capacity for coordination of economic development programs and worker assistance programs;

~~(H)~~ (C) Support infrastructure projects and workforce development programs; or

~~(IV)~~ (D) Are consistent with the goals and strategies outlined in the final just transition plan.

(III) FOR PURPOSES OF THE MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (4)(a)(I)(C) OF THIS SECTION, THE OFFICE SHALL USE THE MONEY TO SUPPORT TARGETED ECONOMIC DEVELOPMENT FOR THE FOLLOWING:

(A) EXPANSION ASSISTANCE FOR EXISTING LOCAL BUSINESSES;

(B) EXPANDING PRIVATE FINANCIAL INVESTMENT; AND

(C) SITE SELECTOR AND TECHNICAL ASSISTANCE ENGAGEMENTS.

(b) In addition to the requirements set forth in subsection (4)(a) of this section, the office shall expend money transferred to the fund pursuant to subsection (4)(a) of this section in accordance with the following requirements and limitations:

(II) The office may provide for the transfer of money from the fund to other state agencies only if the transfer is approved by the director, the executive director of the department, the executive director of the department of local affairs, and the ~~executive~~ director of the Colorado office of economic development.

(III) (A) The office shall expend ~~at least seventy percent of the~~ money TRANSFERRED TO THE FUND PURSUANT TO SUBSECTIONS (4)(a)(I)(A) AND (4)(a)(I)(B) OF THIS SECTION by the close of state fiscal year ~~2021-22~~ and shall expend any remaining money by the close of state fiscal year ~~2022-23~~ 2023-24.

(B) THE OFFICE SHALL EXPEND THE MONEY TRANSFERRED TO THE FUND PURSUANT TO SUBSECTION (4)(a)(I)(C) OF THIS SECTION BY THE CLOSE OF STATE FISCAL YEAR 2025-26.

(IV) The department is authorized to use up to five percent of the money IN THE FUND to fund operational support for the office's expenditure of the money, including funding for the compensation of existing office employees.

SECTION 2. In Colorado Revised Statutes, 8-83-504.5, **amend** (1)(a) as (1) introductory portion, (1)(a) introductory portion, and (1)(a)(V) are **amended by House Bill 22-1193** and as (1)(a)(VII) and (1)(a)(VIII) are **added by House Bill 22-1193**; and **add** (1)(e) and (1)(f) as follows:

8-83-504.5. Additional coal transition workforce assistance program funding - coal transition workforce assistance program account. (1) (a) (I) The coal transition workforce assistance program account is hereby created in the fund.

(II) (A) On June 30, 2021, the state treasurer shall transfer seven million dollars from the general fund to the account.

(B) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER TEN MILLION DOLLARS FROM THE GENERAL FUND TO THE ACCOUNT.

(III) Subject to annual appropriation by the general assembly, the department shall expend money from the account for coal transition workforce assistance programs ~~subject to the following requirements and limitations:~~

~~(a) The money must be expended for programs~~ that directly assist coal transition workers or their family members and other household members, including programs that:

~~(A)~~ (A) Establish or expand existing apprenticeship programs, the training capacity of such programs, and the placement of coal transition workers into such programs, prioritizing programs that are recognized as registered apprenticeship programs by the department or are industry-recognized apprenticeship programs that satisfy United States department of labor requirements for such programs;

~~(B)~~ (B) Aid implementation of the final just transition plan;

~~(C)~~ (C) Provide tuition reimbursement;

~~(D)~~ (D) Provide job search assistance;

~~(E)~~ (E) Provide individualized financial and transition planning;

~~(VI)~~ (F) Provide other services authorized by the federal "Workforce Innovation and Opportunity Act", Pub.L. 113-128, such as on-the-job training, subsidized employment, and other strategies that aid in the implementation of individual transition plans;

~~(VII)~~ (G) Support family members or other household members of coal transition workers; or

~~(VIII)~~ (H) Test innovative coal transition work support programs through a pilot program. The department is encouraged to limit any pilot program to no more than forty total participants who are coal transition workers, coal transition worker family members, coal transition worker households, or a combination of coal transition workers, family members, and households.

(IV) FOR PURPOSES OF THE MONEY TRANSFERRED TO THE ACCOUNT PURSUANT TO SUBSECTION (1)(a)(II)(B) OF THIS SECTION, THE OFFICE SHALL USE THE MONEY FOR THE FOLLOWING PURPOSES THAT 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:

(A) TUITION ASSISTANCE AND APPRENTICESHIPS;

(B) EXPANDED CHILD CARE ASSISTANCE;

(C) CAREER PLANNING SERVICES;

(D) FINANCIAL COUNSELING; AND

(E) HOUSING ASSISTANCE.

(e) THE DEPARTMENT SHALL EXPEND THE MONEY TRANSFERRED TO THE ACCOUNT PURSUANT TO SUBSECTION (1)(a)(II)(B) OF THIS SECTION BY THE CLOSE OF STATE FISCAL YEAR 2026-27.

(f) ANY UNEXPENDED AND UNENCUMBERED MONEY IN THE ACCOUNT AT THE END OF ANY FISCAL YEAR REMAINS IN THE ACCOUNT AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND.

SECTION 3. In Colorado Revised Statutes, **amend** 8-83-506 as follows:

8-83-506. Report - recommendations - repeal. (1) (a) No later than January 1, 2024, the director shall provide written recommendations to the general assembly and the governor about changes to this part 5 that should be considered in order to better achieve the purposes of this part 5.

~~(2)~~(b) This ~~section~~ SUBSECTION (1) is repealed, effective September 1, 2025.

(2) (a) BETWEEN SEPTEMBER 1 AND NOVEMBER 15, 2022, AND BETWEEN SEPTEMBER 1 AND NOVEMBER 15 OF EACH YEAR THEREAFTER, THE DIRECTOR SHALL PRESENT A REPORT TO THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY ON THE HISTORY OF EXPENDITURES FROM THE FUND AND THE ACCOUNT AND THE PURPOSES FOR WHICH THE MONEY IN THE FUND AND IN THE ACCOUNT HAS BEEN EXPENDED OR ENCUMBERED IN THE IMMEDIATELY PRECEDING STATE FISCAL YEAR, SPECIFYING THE PROGRAMS DESCRIBED IN SECTIONS 8-83-504 AND 8-83-504.5 FOR WHICH MONEY HAS BEEN EXPENDED, ENCUMBERED, OR OTHERWISE ALLOCATED.

(b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE REPORTING REQUIREMENT SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION CONTINUES INDEFINITELY.

SECTION 4. In Session Laws of Colorado 2021, section 4 of chapter 400, (HB21-1290), **amend** (1) as follows:

Section 4. **Appropriation.** (1) For the 2020-21 state fiscal year, \$8,000,000 is appropriated to the department of labor and employment for use by the division of employment and training, just transition office. This appropriation is from the just transition cash fund created in section 8-83-504 (1), C.R.S., and is based on an assumption that the department will require an additional 1.0 FTE. To implement this act, the department may use this appropriation for the purposes specified in section 8-83-504 (4), C.R.S. Any money appropriated in this section not expended prior to July 1, 2021, is further appropriated to the just transition office for the 2021-22, ~~and~~ 2022-23, AND 2023-24 state fiscal years for the same purpose.

SECTION 5. In Session Laws of Colorado 2022, section 5 of

chapter 11, (HB22-1193), **amend** (3) and (4) as follows:

Section 5. Appropriation. (3) For the 2021-22 state fiscal year, \$1,295,000 is appropriated to the department of labor and employment for use by the division of employment and training. This appropriation is from the just transition cash fund created in section 8-83-504 (1), C.R.S. To implement this act, the division may use this appropriation for the purposes specified in section 8-83-504, C.R.S. ANY MONEY APPROPRIATED IN THIS SUBSECTION (3) NOT EXPENDED BEFORE JULY 1, 2022, IS FURTHER APPROPRIATED TO THE DEPARTMENT FOR THE 2022-23 AND 2023-24 STATE FISCAL YEARS FOR THE SAME PURPOSE.

(4) For the 2022-23 state fiscal year, \$555,000 is appropriated to the department of labor and employment for use by the division of employment and training. This appropriation is from the just transition cash fund created in section 8-83-504 (1), C.R.S. To implement this act, the division may use this appropriation for the purposes specified in section 8-83-504, C.R.S. ANY MONEY APPROPRIATED IN THIS SUBSECTION (4) NOT EXPENDED BEFORE JULY 1, 2023, IS FURTHER APPROPRIATED TO THE DEPARTMENT FOR THE 2023-24 STATE FISCAL YEAR FOR THE SAME PURPOSE.

SECTION 6. Appropriation. (1) For the 2022-23 state fiscal year, \$5,000,000 is appropriated to the department of labor and employment for use by the division of employment and training. This appropriation is from the just transition cash fund created in section 8-83-504 (1), C.R.S. To implement this act, the department may use this appropriation for just transition plan implementation/coal transition community assistance as specified in section 8-83-504 (4), C.R.S. Any money appropriated in this section not expended prior to July 1, 2023, is further appropriated to the department through the 2025-26 state fiscal year for the same purpose.

(2) For the 2022-23 state fiscal year, \$10,000,000 is appropriated to the department of labor and employment for use by the division of employment and training. This appropriation is from the coal transition workforce assistance program account of the just transition cash fund created in section 8-83-504.5 (1). To implement this act, the department may use this appropriation for coal transition worker assistance as specified in section 8-83-504.5, C.R.S. Any money appropriated in this section not expended prior to July 1, 2023, is further appropriated to the department through the 2026-27 state fiscal year for the same purpose.

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

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO