2024 Legislative Session Policy Platform

Coalition for a Regenerative Future



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INTRODUCTION

About the Coalition

This policy platform represents the voices of the **Coalition for a Regenerative Future (CRF)** – a collaborative alliance of more than 450 member organizations and individuals that represent more than 29,000 members of the Colorado workforce and account for more than \$7.3 billion in managed revenue. A complete list of Coalition members can be found here: www.afca.earth/coalition-members/

The CRF was founded in April 2020 as a convening of Colorado nonprofit organizations, businesses, academic institutions, government agencies, and individual policy experts with the goal of envisioning a response to the COVID-19 pandemic that delivered long-term change for the better. Our guiding vision is **a regenerative future for Colorado** – a future with thriving local economies that meet human needs abundantly and equitably, providing clean air, water, food, and energy for all.

In 2021, then-Speaker of the Colorado House of Representatives Alec Garnett requested the CRF's assistance in developing a list of policy ideas for potential funding from the American Rescue Plan Act of 2021 (ARPA, also known as the COVID-19 Stimulus Package). Our coalition mobilized to generate more than 200 policy ideas in just one week, and the annual tradition of the CRF's crowd-sourced policy platform was born.

Before each legislative session, CRF members submit their bold, transformational policy ideas through a collaborative online forum, then collaborate to refine and rank all submissions. The resulting product is an expansive policy platform that represents the interests of a diverse group of Coloradans.

In the past three legislative sessions, this unique approach to policy design and advocacy has contributed to the passage of more than **60 new Colorado state laws** and directed nearly **\$1 billion** in state funding towards projects and programs aligned with our vision of a regenerative future for Colorado. Most recently, our work contributed to the passage of 22 bills aligned with our 2023 policy platform by the Colorado General Assembly during the 2023 legislative session – all of which were signed into law by Governor Polis. A <u>complete list</u> of these bills can be found beginning on page 5.

For a complete list of our policy victories and to view our past policy platforms – including those published under our previous name, the Regenerative Recovery Coalition – please visit <u>www.afca.earth/crowdsourced-policy/</u>

What is Regenerative?

The climate crisis we face was created by the degenerative, extractive and exploitative systems at play in our lives. Sustainability refers to maintaining and preserving – anything can be sustained for a certain amount of time, including those harmful systems. But when systems take more than they give, they eventually lead to collapse. Regenerative practices work to heal

the damage caused by humanity's overconsumption and create new systems in balance with nature.



Policy Framework

Our regenerative policy framework rests on eight building blocks informed by deep community listening. Over 200+ citizens and leaders in Colorado contributed to the creation of this framework. The building blocks listed below are designed and advanced in an intersectional manner where one project, initiative or program will have an impact across many – if not all – of these areas.

- 1. **Energy & Environment –** Transition rapidly to renewable, distributed, and reliable energy.
- 2. **Agriculture –** Improve soil health, strengthen, and support regenerative food systems and communities.
- 3. Workforce Prioritize human dignified workforce development.
- 4. **Business –** Build, engage and support regenerative organizations and industries.
- 5. Circular Economy Adopt regenerative and circular economic models.
- 6. **Equity** Empower and inform the people to crowdsource solutions that work for them.
- 7. **Governance** Increase civic participation to strengthen democratic systems and pass regenerative policies.
- 8. **Infrastructure** Design infrastructure through biomimicry and honor the connection to the natural environment.

These eight building blocks are grounded in the foundation of driving systems-level solutions through collective action, and weaving equity through all our work to advance well-being for all.

Federal Funding Opportunities

We are mindful of the state-level budgetary constraints Colorado lawmakers must operate within, and aim to highlight potential federal funding opportunities to support our policy recommendations whenever possible. Throughout this platform, we will clearly identify when policy recommendations come with a potential federal funding opportunity based on our review of available funding opportunities in the most recently enacted federal Consolidated Appropriations Act. A complete summary can be viewed here: <u>Consolidated Appropriations Act, 2023: Summary Of Appropriations Provisions By Subcommittee</u>

At time of writing, the FY24 Appropriations Act is still being negotiated by federal lawmakers, with a series of short term, stopgap funding measures being enacted in the interim to avoid a government shutdown. Final federal funding opportunities in 2024 may vary slightly from the FY23 numbers reviewed for the purposes of this policy platform. However, we believe this information will provide a strong starting point for lawmakers interested in identifying federal funding opportunities to support our policy recommendations, and is the best available alternative to FY24 numbers given the ongoing delays in passage of the final Consolidated Appropriations Act of 2024.

What's New in 2024

This year, we expanded our engagement to ensure we were reaching an even broader crosssection of Coloradans and incorporating their perspectives, resulting in a truly unique, expansive policy platform that represents the interests of a diverse group of citizens. We incorporated more coalition brainstorming sessions into our policy development process, partnered with other community organizations to poll and survey their members, and attended numerous community events to ensure we were hearing from more than the "usual suspects" when it comes to policy. The result is our most collaborative and inclusive platform to date!

Additionally, this year we closely followed the State's Greenhouse Gas Road Map 2.0 listening sessions in communities across the state, and took that input into consideration as well. We spoke with state leaders about the process, elevated opportunities to participate to citizens, attended several listening sessions, and heard feedback directly from community members. Workshop attendees expressed widespread apprehension and doubt regarding carbon capture and hydrogen technologies. They advocated for the state to prioritize the exploration of cost-effective, existing solutions with known positive human and environmental impacts.

The consensus among participants was to phase out oil and gas in tandem with just transition policies, cease issuing new permits for these activities, and prioritize equity and human health in all energy policy decisions. Participants stressed that the state should serve as a resource HUB for communities aiming to electrify statewide, providing scientific models, accessible

programs, and model codes and ordinances. There was a call for electrification and weatherization programs to be more easily accessible to both homeowners and renters.

Furthermore, participants endorsed the enhancement of local transportation, advocating for more affordable rides, efficient bus routes, and improved bike and pedestrian infrastructure. Their interest leaned towards gaining state support for local governments to enhance incommunity transit rather than focusing on large statewide or regional projects. Emphasis was placed on considering the electrification of fleets, including trucks and school buses, in addition to making individual electric vehicles more accessible to low-income communities.

Lastly, there was widespread support for implementing climate-smart practices on farms and ranches. Participants encouraged collaboration with and investment in local community colleges to educate, pilot, and implement climate-smart techniques.

About the Alliance for Collective Action

Since 2004, The Alliance for Collective Action (AFCA) has served as the connective tissue for the sustainability movement in Colorado. Over the last 19 years, AFCA has built a network of government, academic, for-profit, nonprofit, media and community organizations and leaders. The Alliance convenes and mobilizes this network to identify some of the largest problems Coloradans face and move thought into action through community-led solutions.

We bring people together to develop and advance solutions for a thriving planet. We believe in a regenerative future, where people and the planet are treated with love, dignity and respect. We unite the collective power of environmental and social movements so that together, we can move from merely surviving, to truly thriving.

To learn more about our organization and our work, please visit <u>www.afca.earth</u>

2023 POLICY VICTORIES

Our Coalition's work contributed to the passage of 22 bills aligned with our 2023 policy platform by the Colorado General Assembly during the 2023 legislative session – all of which were signed into law by Governor Polis.

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BILL #	BILL TITLE	CRF PRIORITY AREAS	BUDGET 2023-2024	BUDGET 2024-2025
<u>HB23-1074</u>	Study Workforce Transitions To Other	Energy & environment,	\$321,144	\$28,558

	Industries	Workforce		
<u>SB23-270</u>	Projects To Restore Natural Stream Systems	Energy & Environment	0	0
<u>HB23-1242</u>	Water Conservation In Oil And Gas Operations	Energy & Environment	\$581,294	\$519,859
	Electric Vehicle Charging	Energy & Environment, Infrastructure		
<u>HB23-1233</u>	And Parking Requirements		0	0
<u>SB23-191</u>	Colorado Department Of Public Health And Environment Organics Diversion Study	Energy & Environment	\$331,936	\$27,350
<u>SB23-253</u>	Standards For Products Represented As Compostable	Energy & Environment	\$33,021	\$27 <i>,</i> 505
<u>HB23-1069</u>	Study Biochar In Plugging Of Oil And Gas Wells	Energy & Environment	\$375,740	\$180,665
<u>SB23-092</u>	Agricultural Producers Use Of Agrivoltaics	Agriculture	\$816,357	\$626,343
<u>HB23-1272</u>	Tax Policy That Advances Decarbonization	Energy & Environment	\$1,219,781	\$2,997,046
<u>HB23-1101</u>	Ozone Season Transit Grant Program Flexibility	Energy & Environment, Infrastructure	0	
<u>SB23-016</u>	Greenhouse Gas Emission Reduction Measures	Energy & Environment	\$364,107	\$672,578
<u>SB23-198</u>	Clean Energy Plans	Energy & Environment	\$321,666	\$369,867
<u>HB23-1161</u>	Environmental Standards For Appliances	Energy & Environment	\$51,378	\$28,778

<u>SB23-186</u>	Oil And Gas Commission Study Methane Seepage Raton Basin	Energy & Environment	\$647,503	\$11,985
<u>HB23-1039</u>	Electric Resource Adequacy Reporting	Energy & Environment	\$17,221	\$23,695
<u>HB23-1216</u>	Natural Gas Pipeline Safety	Energy & Environment, Infrastructure	0	
<u>HB23-1252</u>	Thermal Energy	Energy & Environment		\$423,313
<u>SB23-192</u>	Sunset Pesticide Applicators' Act	Energy & Environment, Agriculture	\$2,489,186	0
<u>SB23-266</u>	Neonic Pesticides As Limited-use Pesticides	Energy & Environment, Agriculture	0	0
<u>SB23-178</u>	Water-wise Landscaping In Homeowners' Association Communities	Energy & Environment	0	0
<u>HB23-1234</u>	Streamlined Solar Permitting And Inspection Grants	Energy & Environment, Infrastructure	\$1,000,000	\$38,078
<u>HB23-1134</u>	Require Electric Options In Home Warranties	Energy & Environment	0	
<u>HB23-1247</u>	Assess Advanced Energy Solutions In Rural Colorado	Energy & Environment	\$219,011	\$223,695

2024 POLICY PLATFORM

PROMOTE & EXPAND REGENERATIVE AGRICULTURE

Background

Transitioning to regenerative agricultural practices is one of the most effective solutions to addressing the climate crisis as it draws carbon out of the atmosphere and helps to restore the carbon cycle. The sequestration of carbon in soil is one of the promising potential solutions to the global climate crisis.

Research shows that agricultural soils have the potential to sequester (relatively inexpensively) <u>250 million metric tons of carbon dioxide-equivalent greenhouse gasses annually</u> – equivalent to the annual emissions of 64 coal fired power plants, according to National Academy of Sciences.

Some of the biggest barriers to implementing these practices for Colorado farmers and ranchers is a lack of awareness of available options, resources, capacity, and technical expertise. It is vital that state lawmakers continue to enact policies to ensure that Colorado's agricultural and food system embraces a more climate resilient future, creates robust local systems and markets, increases economic equity for farmers and ranchers, and reconnects people to their food sources which will ultimately facilitate positive social change.

The Coalition for a Regenerative Future has connected with numerous agricultural producers, workers, and supporters to craft real solutions to the issues they face. Our Regenerative Agriculture and Food System working group consists of more than 105 local farmers, ranchers, food systems experts, soil health experts, regenerative agriculture practitioners, grocery store representatives, county commissioners, educational institutions, students, civically engaged citizens and more. Their input and perspective were instrumental in identifying the policy recommendations provided in this platform.

These efforts are embodied by our ongoing work with the STAR (Saving Tomorrow's Agricultural Resources) pilot program in collaboration with the Colorado Department of Agriculture (CDA). This collaboration will not only support new, historically marginalized, producers with our cohort; but will support the entire agricultural ecosystem by providing ongoing feedback and suggestions for ways to improve STAR. We will be working alongside the CDA to increase access to funding for farmers and remove barriers for producers based on community input.

Community members who participated in the State's Greenhouse Gas Road Map 2.0 listening sessions overwhelmingly supported the expansion of regenerative agriculture in Colorado. The majority of participants expressed strong support for the adoption of climate-smart practices in the management of farms, ranches, and forests.

Specifically, community members urged the state to collaborate with rural community colleges and other local universities to conduct studies and implement initiatives related to agrivoltaics (the simultaneous use of land for both solar panels and agriculture), soil health, and other climate-smart agricultural practices. They called for more action on water conservation, wider implementation of agroforestry, and more policy grounded in traditional ecological knowledge. They also emphasized the importance of policy makers engaging and collaborating with farmworkers to identify and implement solutions.

Potential Federal Funding Opportunities

In addition to the potential funding opportunities outlined in conjunction with the specific policy recommendations provided below, we believe an additional source for federal funds to support general state-level regenerative agriculture policy could come from US Department of Agriculture (USDA) programs identified in the Agriculture-Rural Development-FDA section of the <u>FY23 Summary of Appropriations</u> (p. 1-3), which includes investments in rural development, agricultural research, and conservation programs:

"The fiscal year 2023 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies funding bill provides discretionary funding of \$25.5 billion – an increase of \$737 million, 3 percent – above fiscal year 2022. In total, the bill includes \$242 billion for discretionary programs funded annually and mandatory programs such as the Supplemental Nutrition Assistance Program."

Fully Fund the Colorado Department of Agriculture (CDA) Saving Tomorrow's Agricultural Resources (STAR) Program

The CDA's STAR and STAR Plus programs make up the state's current soil health program. The STAR program provides a simple framework that allows farmers and ranchers to evaluate their current production system, identify areas for improved management to increase soil health, document their progress, and share their successes.

The evaluation system assigns points for management activities on an annual basis and scores are converted to a 1 to 5 STAR Rating, with 5 STARs indicating commitment to a suite of practices proven to improve soil health, water quality and water availability. Currently, Colorado farmers and ranchers can visit the STAR website to request and receive a STAR Rating, with the first 100 participants receiving a free soil health test.

The STAR Plus program provides financial and technical assistance to producers as they implement new practices in one field over three years and consider adopting them across their operations. Participants gain familiarity and expertise with new practices and an increased understanding of the associated environmental and economic outcomes. STAR Plus also provides significant capacity support, equipment grants, training and other support to conservation districts and eligible entities so that they can provide technical assistance to landowners where and when they need it in a new way. These partners provide the trusted

local support and knowledge to ensure producer success. CDA launched the STAR Plus program with 131 farmers and ranchers participating.

State lawmakers should build on the important progress made with <u>HB21-1181</u> (Agricultural Soil Health Program), <u>SB21-235</u> (Stimulus Funding Department Of Agriculture Efficiency Programs), and the Federal Climate Smart Commodities grant by expanding funding for the STAR and STAR Plus programs, including expanded support for eligible entities, increasing administrative supports for agricultural produces, and funds to promote these programs to as many Colorado farmers and ranchers as possible.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Agricultural Research</u> and <u>Farm Programs</u> <u>funding</u> identified in the Agriculture-Rural Development-FDA section of the <u>FY23 Summary</u> <u>of Appropriations</u> (p. 3):

<u>"Agricultural Research</u> – The bill provides \$3.45 billion – \$175 million above the fiscal year 2022 enacted level – for agriculture research programs, including the Agricultural Research Service (ARS) and the National Institute of Food and Agriculture (NIFA). This funding will support research at all ARS facilities to help mitigate and stop devastating livestock and crop diseases, improve food safety and water quality, increase production, and combat antimicrobial resistance. This funding also includes important research investments in U.S. land-grant colleges and universities, including a significant increase for the 1890 and 1994 institutions, and for the Agriculture and Food Research Initiative, the U.S. Department of Agriculture's premier competitive research program.

<u>Farm Programs</u> – The bill provides \$1.92 billion for farm programs, which is \$55 million above the fiscal year 2022 enacted level. This includes \$61 million to resolve ownership and succession of farmland issues, also known as heirs' property issues. This funding will continue support for various farm, conservation, and emergency loan programs, and help American farmers and ranchers. It will also meet estimates of demand for farm loan programs."

Establish Statewide Soil Health Program Inspired by the Healthy Soils Challenge and Restore Colorado Grant Program

The Healthy Soils Challenge is a voluntary collaboration between restaurants and other food businesses to fund grants to support ranchers and farmers as they implement regenerative agriculture practices such as composting, cover cropping, and no-till farming. Private sector partners in the restaurant industry generate funds to support these grants by implementing a 1% fee on food and beverage sales.

This model is best exemplified by Boulder County's Restore Colorado program, which uses funds generated from participating businesses to fund spreading compost on depleted soil, cover cropping, technical assistance, and more – whether a producer is already practicing regenerative agriculture, or just taking their first steps toward farming practices that actively sequester carbon.

These activities must be significantly scaled up to move Colorado to 100% regenerative agriculture. State lawmakers should explore options to significantly increase funding for these programs with a goal of generating \$200M per year in order to implement regenerative practices on roughly 2 million acres annually.

Options include expanding outreach and incentives to encourage more businesses to participate on a voluntary basis, or to implement a 1% statewide fee on food and beverage sales to create a statewide program modeled after Restore Colorado. Lawmakers should also consider providing funding to support outreach, engagement, and enrollment of community business partners facilitated by non-governmental organizations (NGOs).

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Conservation Programs</u> funding identified in the Agriculture-Rural Development-FDA section of the <u>FY23 Summary of Appropriations</u> (p. 3), which focuses on helping farmers, ranchers, and private landowners conserve and protect their land:

"<u>Conservation Programs</u> – The bill provides \$1.034 billion to help farmers, ranchers, and other private landowners conserve and protect their land. This includes \$77 million for infrastructure for watershed and flood prevention and watershed rehabilitation projects, \$8.5 million for the Urban Agriculture and Innovative Production Program, and \$7 million for the Healthy Forests Reserve Program."

Identify and Fund Investments in Regenerative Agriculture and Renewable Energy on Working Lands

"Working lands" include cropland, grassland, prairie land, improved pasture, range land, and forested land that is an incidental part of agriculture operations. There are many existing conservation programs focused on working lands that implement various conservation practices to address natural resource concerns specific to the area, alongside the continued use of working lands for pre-existing privately or publicly owned operations.

State leaders should look for opportunities to apply this same principle to regenerative agriculture and renewable energy projects. This process could begin with the compilation of a statewide list of working lands that are the best fit for regenerative agriculture projects, agrivoltaics (the simultaneous use of land for both solar panels and agriculture), and the implementation of emerging methane and carbon capture technologies.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Energy Efficiency and Renewable Energy</u> and <u>State and Community Energy Programs</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 12-13), which focuses on funding for clean, affordable, and secure energy:

"<u>Energy Efficiency and Renewable Energy</u> – The bill provides a record-level \$3.5 billion, an increase of \$260 million above the fiscal year 2022 level. This funding provides for clean, affordable, and secure energy and ensures American leadership in the transition to a global clean energy economy.

<u>State and Community Energy Programs</u> – The bill provides \$471 million, an effective increase of \$44 million above the fiscal year 2022 level. This funding will support the Weatherization Assistance Program, Weatherization Readiness Fund, State Energy Program, Local Government Energy Program, and Energy Future Grants."

Invest in Regenerative Agriculture Infrastructure and Equipment

State lawmakers should seek to identify opportunities to invest in the infrastructure and equipment required to transition Colorado agriculture to regenerative practices, including:

- Providing infrastructure, equipment, and funding to Colorado State University's agriculture research station program to support a new emphasis on researching regenerative agriculture practices that can be implemented and built upon by communities across the state
- Creating 1:1 matching funds for purchases of regenerative agricultural infrastructure improvements such as precision irrigation equipment, equipment to repair and/or replace aging ditches and pipelines, no-till planters, and other equipment enabling regenerative agriculture practices. The existing matching grant funds for equipment available to participants in CDA's existing STAR and STAR Plus programs could serve as a model or a starting point to be expanded with additional funding and broadened eligibility.
- Subsidizing soil health testing for farmers and homeowners.
- Expanding the Colorado State University (CSU) soil testing laboratory to the CSU Spur Campus in Denver.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Agricultural Research</u> funding identified in the Agriculture-Rural Development-FDA section of the <u>FY23 Summary of Appropriations</u> (p. 3), which supports research at various facilities throughout the United States:

"<u>Agricultural Research</u> – The bill provides \$3.45 billion – \$175 million above the fiscal year 2022 enacted level – for agriculture research programs, including the Agricultural Research Service (ARS)

and the National Institute of Food and Agriculture (NIFA). This funding will support research at all ARS facilities to help mitigate and stop devastating livestock and crop diseases, improve food safety and water quality, increase production, and combat antimicrobial resistance. This funding also includes important research investments in U.S. land-grant colleges and universities, including a significant increase for the 1890 and 1994 institutions, and for the Agriculture and Food Research Initiative, the U.S. Department of Agriculture's premier competitive research program."

Biochar Remediation

Build on the progress made through <u>HB23-1069</u> (Study Biochar In Plugging Of Oil And Gas Wells) by reviewing the findings of the Colorado State University and working group studies commissioned throughout 2024 and implementing a pilot program if one is ultimately recommended.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Environmental Management</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of</u> <u>Appropriations</u> (p. 14), which is primarily used for nuclear cleanup work but *may* potentially extend to other environmental remediation projects:

"<u>Environmental Management</u> – The bill provides \$8.3 billion, an increase of \$359 million above the fiscal year 2022 level. This funding is used for nuclear cleanup work at 15 sites across the country. This includes: Non-Defense Environmental Cleanup – \$359 million, an increase of \$25 million above the fiscal year 2022 level and \$35 million above the request."

Local Food for Local Restaurants Tax Incentive

Provide a tax credit or other tax incentives to restaurant owners to encourage the purchase of ingredients from Colorado-based farms that employ regenerative agriculture practices.

Potential Federal Funding Opportunities

This policy recommendation could align with the Agricultural Marketing Service and Rural Development funding identified in the Agriculture-Rural Development-FDA section of the <u>FY23 Summary of Appropriations</u> (p. 3), which supports local food and value-added agriculture:

"<u>Marketing Programs</u> – The bill provides \$237 million, \$11 million above the fiscal year 2022 enacted level and \$4.7 million above the request, to facilitate the movement of agriculture products and open market opportunities. This includes \$22.8 million for the National Organic Program to protect the integrity of the USDA Organic label and \$30.2 million for the oversight and enforcement of the Packers and Stockyards Act. The bill also provides \$20.4 million in discretionary funds to the Agricultural Marketing Service and Rural Development for the Local Agriculture Market Program to continue supporting local food and value-added agriculture. In addition, the bill provides \$25 million to support dairy business innovation initiatives."

Define Regenerative Agriculture as an "Advanced Industry"

The Advanced Industries Accelerator (AIA) Program was created in 2013 to promote growth and sustainability in Colorado's advanced industries by driving innovation, accelerating commercialization, encouraging public-private partnerships, increasing access to early-stage capital, and creating a strong ecosystem that increases the state's global competitiveness. The AIA Program is administered by the Colorado Office of Economic Development and International Trade (OEDIT).

Currently, only business in the fields of advanced manufacturing, aerospace, bioscience, electronics, energy and natural resources, infrastructure engineering, and technology and information are eligible for AIA Program grant funding and support from OEDIT.

State lawmakers should define regenerative agriculture as an advanced industry so that regenerative agriculture startups and researchers can be eligible for AIA funding. State lawmakers should also provide additional funding to OEDIT that is specifically designated to provide AIA grants to regenerative agriculture startups and researchers with the goal of establishing Colorado as a global hub for innovation in regenerative agriculture.

WORKFORCE

Colorado has a very tight labor market with a <u>3.3% unemployment rate</u> as of October 2023 (the most recent data available at time of writing). With the Great Resignation in 2021 -2023, the field of play has likely shifted in favor of the job seeker for the foreseeable future. It is critically important that businesses re-evaluate their talent strategies in order to hire, retain, train, and promote workers to compete in the market, and innovate their talent strategies if they hope to grow.

Combined with Colorado's Climate goals to reduce greenhouse gas emissions 50% below 2005 levels by 2030, there is a multifaceted race to hire workers into much needed skilled trades to accomplish these critical infrastructure and growth areas. To do so, employers and the policymakers who support them will need to look to untapped talent pools and work to reduce barriers that stand in the way of employers and employees finding success together.

Expanded Certification Reciprocity for Critical Skilled Trades

A gross shortage of skilled trades workers stands between Colorado and major policy goals like tackling the climate crisis and addressing our housing shortage. A wave of older workers preparing to retire with insufficient workers ready to replace their labor and expertise threatens to further exacerbate this problem.

Certification Reciprocity offers a partial solution to the talent shortage in skilled trades by honoring the licenses of skilled workers in other states to quickly bring electricians, pipefitters, and plumbers into our workforce and onto job sites across our state. Colorado already has some reciprocity agreements in place with <u>other states</u> – lawmakers should build on this success by proactively seeking to expand reciprocity agreements to incorporate as many skilled trades and as many states with satisfactory certification requirements as possible. These efforts should focus on professions necessary to build and green our infrastructure, ultimately decarbonizing our economy.

Lawmakers should also consider partnering with employers, trade associations, and labor unions representing skilled trades to develop a comprehensive public education program to promote skilled trade programs and career pathways in K-12 schools and to workers who may be interested in seeking out new career opportunities. The promotional efforts must be adequately funded to maximize their reach, including with state dollars if necessary.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Labor (DOL)</u> funding identified in the Labor-HHS-Education section of the <u>FY23 Summary of Appropriations</u> (p. 25), which includes job training and certification:

"<u>Department of Labor (DOL)</u> – The bill provides a total of \$13.8 billion in discretionary appropriations for DOL, an increase of \$652 million above the fiscal year 2022 enacted level. Of this amount, the bill includes:

- \$10.5 billion for the <u>Employment and Training Administration</u>, an increase of \$545 million above the fiscal year 2022 enacted level.
 - \$2.9 billion for <u>Workforce Innovation and Opportunity Act State Grants</u>, an increase of \$50 million above the fiscal year 2022 enacted level.
 - \$285 million for <u>Registered Apprenticeships</u>, an increase of \$50 million above the fiscal year 2022 enacted level.
 - \$65 million, an increase of \$15 million over the fiscal year 2022 enacted level, to continue and expand <u>Strengthening Community College Training Grants</u> to help meet local and regional labor market demand for a skilled workforce by providing training to workers in in-demand industries at community colleges and four-year partners."

Childcare Tax Credits

Colorado offers limited income tax credits to incentivize investment in and contributions to child care providers. Numerous other states provide <u>additional incentives</u> – Colorado lawmakers should review these options and consider expanding tax incentives to expand access to child care and make child care more affordable for working families. We believe New York's <u>recent policies to incentivize employer-provided childcare</u> are especially worthy of consideration.

Investigate Certification Backlog for Minority and Women-Owned Businesses

A recent <u>investigation</u> by the Denver City Auditor found that insufficient funding and staff led to the City failing to maintain compliance with federal guidelines for awarding government contracts to disadvantaged businesses. Many applicants were left waiting for months to find out if they met guidelines or not, and many who did not actually qualify obtained contracts intended for disadvantaged businesses and slipped through the cracks without accountability.

State lawmakers should commission a broader investigation to determine the extent of similar problems at both the state level and throughout other major municipalities in Colorado. This investigation should produce a report with concrete policy recommendations (and corresponding costs) to remedy the situation in a timely manner.

Work Based Learning Opportunities

Build on the progress made with the passage of SB22-140 (Expansion of Experiential Learning Opportunities) and its newly created incentive program to eligible employers to create highquality, work-based learning opportunities for adults and youth by expanding funding for these incentives and targeting them to trades where Colorado faces workforce shortages, as well as industries at the forefront of the transition to a clean energy, climate resilient future.

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Fair Chance Hiring & Retention Incentives

Finding steady employment is an essential aspect of providing Coloradans who have previously been incarcerated with an opportunity to get back on their feet and contribute to our state, reducing recidivism.

State lawmakers should explore new incentives to encourage employers not only to hire from the justice-impacted population, but retain them long term. These kinds of incentives have been successfully employed in <u>Illinois</u> and <u>California</u>, which can serve as a starting point for the development of model policy for Colorado. Special incentives could also be considered for employers in specific industries such as renewable energy and skilled trades to augment other priority areas of this policy platform.

Lawmakers should also consider directing state agencies to examine their hiring processes and how they could more effectively hire from the justice impacted population.

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 - \$2.9 billion for <u>Workforce Innovation and Opportunity Act State Grants</u>, an increase of \$50 million above the fiscal year 2022 enacted level.
 - \$115 million for the <u>Reintegration of Ex-Offenders</u>, an increase of \$13 million above the fiscal year 2022 enacted level.

Expand Automatic Record Sealing

Expand automatic record sealing for nonviolent offenses to ensure the one in three Coloradans who have been involved with the criminal legal system do not carry stigmatizing records that make it difficult for them to find gainful employment and housing. We cannot reduce recidivism rates while simultaneously maintaining barriers that prevent Coloradans who have been involved with the justice system from living full, productive lives.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Justice (DOJ)</u> funding identified in the Commerce-Justice-Science section of the <u>FY23 Summary of Appropriations</u> (p. 5), particularly in areas related to criminal justice reform and legal services:

<u>"U.S. Department of Justice (DOJ)</u> – \$38.7 billion overall for the Department of Justice, which is \$3.5 billion above the fiscal year 2022 enacted level.

• <u>First Step Act</u> – The agreement fully funds the requested \$409.5 million for programs and activities authorized by the <u>First Step Act of 2018</u>"

OEDIT Evaluation of Existing Programs

Commission a study by OEDIT of all existing state workforce programs and measure their effectiveness with a rigorous evidence standard, so dollars go to programs that either have (or are in the process of showing) rigorously measured impacts on learner earnings over time.

JUST TRANSITION FOR FOSSIL FUEL DEPENDENT COMMUNITIES

As Colorado continues to transition to renewable energies and lower emissions to meet our greenhouse gas (GHG) reduction goals, we have a moral responsibility to assist workers and communities in regions heavily dependent on the fossil fuel industry through economic investments in workforce development, individual worker support, diversifying local economies, and addressing the negative impacts to frontline communities and the environment.

According to the International Energy Agency (IEA), global demand for oil and gas is predicted to plateau or decline before the end of the decade. Solar and wind energy are already cheaper than coal and natural gas, and electric vehicles (EV) sales are continuing to increase, due to government incentives. In Colorado, the oil and gas extraction, pipeline construction and transportation, and support industries for oil and gas <u>make up</u> just 1.8% of total wages in the state, 3.4% of total personal income, 3.3% of GDP and less than 1% (0.7%) of total employment. Despite these numbers, taxes received from the industry play a huge role in supporting the economic well-being of communities where these activities are located.

While the climate crisis will have far reaching impacts for the state's economy as a whole and demands urgent action, we must also ensure that these oil and gas dependent communities are not left behind due to changes within the energy sector. The lack of focus on just transition programming for the oil and gas industry highlights a major gap in Colorado state policy. Building on <u>HB23-1074</u>, Colorado needs robust programming and resources that support energy workers and gives local communities the opportunity to diversify their economies so they are able to weather changes to the sector as the energy transition continues.

In addition to addressing worker and community support, the environmental justice component of the energy transition should not be overlooked. Oil and gas production is a top source of ozone pollution leading to severe air quality nonattainment along the Front Range, with impacts felt most acutely by those living closest to oil and gas production and refining sites. In addition, the oil and gas industry and related combustion of GHGs plays a major role in accelerating the climate crisis. The current economic model of the oil and gas industry externalizes costs such as land, water and air pollution disproportionately on low-income and communities of color. Policy should support moving towards distributive economic models that protect the environment and public health, center frontline communities, and build local resilience and prosperity.

Suncor Refinery Future Options Analysis

Since 2019, seven refineries in the United States have closed, most without warning. These closures amounted to the loss of more than 3,400 high-paying jobs and \$21 million annually in taxes from local governments' budgets – funds that had supported key services like schools and hospitals. Despite these closures, most of the oil companies that own the refineries have managed to avoid cleanup of these sites.

States like <u>California</u> and <u>Washington</u> have already dedicated funds to study the future of their refineries. Colorado should be proactive given these trends and determine future options for the Suncor refinery and the Commerce City community. While poor air quality coming from the Suncor refinery site has a disproportionate impact on the Commerce City community, we must also recognize that these air quality issues are not just a "Commerce City problem" but affect large swathes of the Front Range (Live <u>IQAir map of air quality in</u> <u>Colorado</u>).

In order to conduct this analysis, state lawmakers should establish a regional partnership between frontline workers and communities, labor groups, local workforce development boards, local government, economic developers, equity groups, workforce and policy researchers and other relevant stakeholders to assess the future of the Suncor oil refinery including the following research areas:

- Projected 5-, 10-, and 20-year scenarios for the Suncor refinery's primary markets given statewide and nationwide decarbonization targets.
- Forecasted direct and indirect effects of the projected petroleum decline, including indirect employment impacts and impacts to local jurisdictions, utilities, and special districts from reduction in tax revenues, and impacts to local nonprofits and community programs from the refining industry.
- Economic diversification pathways and other manufacturing industries to invest in to support Commerce City and Adams County.
- Identification of refinery workers' skill sets, potential alternative sectors and industries of employment, an assessment and comparison of total compensation and benefit packages including retirement and health care programs of current and alternative jobs, impacts to apprenticeship utilization, and the current and expected availability of those jobs in the region.
- A land and water remediation analysis including cost estimates, pollution mapping, an overview of existing policies and regulations that determine accountability for cleanup and identifies gaps that may leave local and state taxpayers financially liable, and an assessment of the workforce and skills required for potential cleanup.
- A proactive 5-, 10- and 20-year vision of future uses of refinery site that considers all of the above including GHG emissions, local environmental impacts and pollution, employment benefits, tax impacts, project feasibility, costs to residents, and plans for clean-up of refinery site if it becomes retired or shuts down.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 13), which includes carbon reduction and mitigation technologies:

"<u>Fossil Energy and Carbon Management</u> – The bill provides \$890 million, an increase of \$65 million above the fiscal year 2022 level. This funding advances carbon reduction and mitigation in sectors and applications that are difficult to decarbonize, including the industrial sector, with technologies and methods such as carbon capture and storage, hydrogen, and direct air capture, while assisting in facilitating the transition toward a net-zero carbon economy and rebuilding a U.S. critical minerals supply chain."

Orphaned Well Plugging & Remediation Labor Standards and Workforce Development

Develop strong labor standards for idle and orphaned well-plugging and site remediation work. Use funds from the Orphan Well Enterprise, including federal funds (which the Colorado Energy and Carbon Management Commission predicts will reach \$100-115 million over the next five years) to create a high-road training partnership (<u>similar to California's Legacy Well Capping program</u>) to train displaced energy workers to plug and monitor idle wells, remediate well sites, and decommission infrastructure using industry best practices.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 13), which includes carbon reduction and mitigation technologies:

"<u>Fossil Energy and Carbon Management</u> – The bill provides \$890 million, an increase of \$65 million above the fiscal year 2022 level. This funding advances carbon reduction and mitigation in sectors and applications that are difficult to decarbonize, including the industrial sector, with technologies and methods such as carbon capture and storage, hydrogen, and direct air capture, while assisting in facilitating the transition toward a net-zero carbon economy and rebuilding a U.S. critical minerals supply chain."

Enhanced Whistleblower Protection Measures

Amend the Public Health Emergency Whistleblower (PHEW) law established by <u>HB20-1415</u> <u>and later amended under SB 22-097</u>, to extend whistleblower protections to employees who raise reasonable concerns about an employer's activities that result in significant threats to the environment or any activities that could reasonably be believed to be fraudulent.

Local Economic Development Studies of Energy Transition Impacts

Commission the Office of Economic Development and International Trade (OEDIT) to conduct a comprehensive study to determine which localities will be most impacted by decarbonization policies and a decline in fossil fuel activity. Create an 'Impacted Community Fund' and identify targeted support strategies for local communities to diversify economies to replace potential lost revenue and jobs, and to maintain local budgets.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Labor (DOL)</u> funding identified in the Labor-HHS-Education section of the <u>FY23 Summary of Appropriations</u> (p. 25), which includes job training and certification:

"<u>Department of Labor (DOL)</u> – The bill provides a total of \$13.8 billion in discretionary appropriations for DOL, an increase of \$652 million above the fiscal year 2022 enacted level. Of this amount, the bill includes:

- \$10.5 billion for the <u>Employment and Training Administration</u>, an increase of \$545 million above the fiscal year 2022 enacted level.
 - \$2.9 billion for <u>Workforce Innovation and Opportunity Act State Grants</u>, an increase of \$50 million above the fiscal year 2022 enacted level."

This policy recommendation could also align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of</u> <u>Appropriations</u> (p. 13), which includes carbon reduction and mitigation technologies:

"<u>Fossil Energy and Carbon Management</u> – The bill provides \$890 million, an increase of \$65 million above the fiscal year 2022 level. This funding advances carbon reduction and mitigation in sectors and applications that are difficult to decarbonize, including the industrial sector, with technologies and methods such as carbon capture and storage, hydrogen, and direct air capture, while assisting in facilitating the transition toward a net-zero carbon economy and rebuilding a U.S. critical minerals supply chain."

Increase Climate Transparency and Accountability

- Mandate disclosure of greenhouse gas emission data by all U.S. business entities whose total annual revenues exceed one billion dollars and "do business in Colorado."
- Require companies with more than \$500 million in annual revenues to disclose their climate-related financial risks and measures they have adopted to reduce and adapt to those risks.
- Examples of this legislation in California <u>SB-235</u> and <u>SB-261</u>

Ensure Good Jobs in the Low Carbon Economy

Build on the important progress made in <u>SB23-292</u> (Labor Requirements For Energy Sector Construction) – which created labor requirements for renewable energy projects exceeding

contracts of \$500,000 or more – by requiring labor and equity standards be tied to all state and federal climate funding to ensure high-quality jobs with family-sustaining wages and good benefits are widely available in the low-carbon economy. Prioritize use of prevailing wage, hiring workers impacted by the transition away from fossil fuels, and include Project Labor Agreements and Community Benefit Agreements on new energy projects when possible.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 12-13), which includes carbon reduction and mitigation technologies:

<u>"Department of Energy</u> – The bill provides a total of \$46.5 billion for the Department, including \$46.2 billion in Division D and \$300 million in emergency funds. The Disaster supplemental includes \$1.5 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds.

- <u>Energy Efficiency and Renewable Energy</u> The bill provides a record-level \$3.5 billion, an increase of \$260 million above the fiscal year 2022 level. This funding provides for clean, affordable, and secure energy and ensures American leadership in the transition to a global clean energy economy.
 - <u>State and Community Energy Programs</u> The bill provides \$471 million, an effective increase of \$44 million above the fiscal year 2022 level. This funding will support the Weatherization Assistance Program, Weatherization Readiness Fund, State Energy Program, Local Government Energy Program, and Energy Future Grants
- <u>Fossil Energy and Carbon Management</u> The bill provides \$890 million, an increase of \$65 million above the fiscal year 2022 level. This funding advances carbon reduction and mitigation in sectors and applications that are difficult to decarbonize, including the industrial sector, with technologies and methods such as carbon capture and storage, hydrogen, and direct air capture, while assisting in facilitating the transition toward a net-zero carbon economy and rebuilding a U.S. critical minerals supply chain.
- <u>Advanced Research Projects Agency Energy</u> The bill provides \$470 million, an increase of \$20 million above the fiscal year 2022 level. This funding supports research aimed at rapidly developing energy technologies that are capable of significantly changing the energy sector to address the nation's critical economic, environmental, and energy security challenges."

Increased Heat and Smoke Protections for All Workers

As climate hazards become more severe and prevalent, there is a need to support both indoor and outdoor workers, such as workers in agriculture, construction, education, and package delivery who face adverse impacts from exposure to extreme heat, wildfire smoke, and other air pollution. States like <u>California</u> and <u>Oregon</u> recently passed heat and smoke protections for workers. State lawmakers should enact similar protections by requiring employers to have a plan in place to take measures to protect workers when these hazards arise, including:

- Providing proper respiratory equipment to workers who work in environments exposed to an Air Quality Index (AQI) for PM2.5 particulate that is 150 or greater
- Limit the time spent in extreme heat conditions, with frequent breaks in cool spaces and access to water when temperatures exceed 80 degrees Fahrenheit
- Training for employers and employees to prevent heat and smoke-induced illness and protocols for response when an employee is exhibiting signs of heat or pollution-induced illness

Displaced Fossil Fuel Worker Program Fund

As global and state markets change due to decarbonization strategies, demand for fossil fuel products is predicted to decline. This will impact an already shrinking oil and gas workforce. To deal with these losses, comprehensive safety nets for workers connected to the fossil fuel sector should be provided. Safety nets for those impacted by changes or declines in the sector should include:

- Wage replacement
- Fully funded pensions
- Glide paths to retirement
- Relocation support
- Access and priority for high-wage jobs
- Free college or trade school tuition
- Benefit maintenance and health care coverage
- Training record access and certification pathways for workers to verify current skills when transitioning to other jobs

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 12-13), which includes carbon reduction and mitigation technologies:

<u>"Department of Energy</u> – The bill provides a total of \$46.5 billion for the Department, including \$46.2 billion in Division D and \$300 million in emergency funds. The Disaster supplemental includes \$1.5 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds.

• <u>Energy Efficiency and Renewable Energy</u> – The bill provides a record-level \$3.5 billion, an increase of \$260 million above the fiscal year 2022 level. This funding provides for clean, affordable, and secure energy and ensures American leadership in the transition to a global clean

energy economy.

- <u>State and Community Energy Programs</u> The bill provides \$471 million, an effective increase of \$44 million above the fiscal year 2022 level. This funding will support the Weatherization Assistance Program, Weatherization Readiness Fund, State Energy Program, Local Government Energy Program, and Energy Future Grants
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This policy recommendation could also align with the <u>Department of Labor (DOL)</u> funding identified in the Labor-HHS-Education section of the <u>FY23 Summary of Appropriations</u> (p. 25), which includes job training and certification:

"<u>Department of Labor (DOL)</u> – The bill provides a total of \$13.8 billion in discretionary appropriations for DOL, an increase of \$652 million above the fiscal year 2022 enacted level. Of this amount, the bill includes:

- \$10.5 billion for the <u>Employment and Training Administration</u>, an increase of \$545 million above the fiscal year 2022 enacted level.
 - \$2.9 billion for <u>Workforce Innovation and Opportunity Act State Grants</u>, an increase of \$50 million above the fiscal year 2022 enacted level."

Expand Heat Pump Accessibility and Workforce Development

Heat pumps are an extremely promising technological development that allow property owners to heat and cool buildings in a cost effective <u>and</u> environmentally friendly manner. Heat pumps offer a superior alternative to conventional air conditioning (A/C) units that is both cheaper for consumers and allows them to reduce their carbon footprint without sacrificing comfort or convenience.

State lawmakers should embrace this encouraging development with policies to increase utilization of heat pumps throughout the state, including:

- Requiring heat pump installation in new commercial and residential buildings or when existing A/C units are in need of replacement.
- Creating a dedicated funding source to support workforce development projects as needed to increase the number of trained heat pump installers.

- Require training for HVAC contractors to include curriculum on installation of heat pumps, heat pump water heaters, home weatherization, and other climate-friendly building improvements.
- Provide wrap-around services for new to industry and existing HVAC professionals to complete training courses, such as transportation and childcare stipends and paid training opportunities.
- Create a contractor training center focused on heat pump and heat pump water heaters (<u>similar to Philadelphia's</u>) that hosts live/in-person training with demonstration equipment; prioritizes BIPOC, fossil-fuel-transitioning workers, and youth/local colleges; and includes a paid stipend to increase participation.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 12-13), which includes carbon reduction and mitigation technologies:

<u>"Department of Energy</u> – The bill provides a total of \$46.5 billion for the Department, including \$46.2 billion in Division D and \$300 million in emergency funds. The Disaster supplemental includes \$1.5 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds.

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 - <u>State and Community Energy Programs</u> The bill provides \$471 million, an effective increase of \$44 million above the fiscal year 2022 level. This funding will support the Weatherization Assistance Program, Weatherization Readiness Fund, State Energy Program, Local Government Energy Program, and Energy Future Grants

Implement Just Transition Study Findings

Build on the progress made through <u>HB23-1074</u> by reviewing the findings of the workforce transitions study commissioned by the Office of Future of Work as they are presented throughout 2024, and implement programs and policies as recommended by the study's findings.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 12-13), which includes carbon reduction and mitigation technologies:

<u>"Department of Energy</u> – The bill provides a total of \$46.5 billion for the Department, including \$46.2 billion in Division D and \$300 million in emergency funds. The Disaster supplemental includes \$1.5 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds.

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Divest PERA From Fossil Fuels

Colorado's Public Employees Retirement Association (PERA), our state public workers pension fund, should not be investing in fossil fuel development. PERA currently has over \$2 billion invested in fossil fuel companies. PERA must assess the financial risk of their fossil fuel investments as a fiduciary responsibility to their members. <u>A 2022 study conducted by</u> <u>Corporate Knights</u> estimates that PERA would have earned an additional 21.7% (\$2.7 billion), which represents \$4,130 of lost value per benefit recipient and member, if it had divested from fossil fuels in 2012 to 2022. As the world takes action to prevent climate change, the value of fossil fuel companies will plummet rapidly, creating stranded asset risk and the potential for rapid, unexpected, and significant loss of value. Additionally, PERA's proxy voting procedures should be updated so that they are <u>aligned</u> with Colorado's statewide emissions reduction goals.

Streamline Permitting and Strengthen Labor Standards for Renewable Development

In 2022, California opened a new, <u>state-level permitting pathway</u> for renewable energy projects in response to "a spate of denials, prohibitions, and moratoria by local government." This kind of local opposition to proposed renewable energy projects is a major obstacle to Colorado's climate goals – and is often driven by aggressive, behind the scenes spending by the fossil fuel industry, which uses its considerable resources to spread misinformation and intimidate local governments out of approving urgently needed renewables projects. State lawmakers should establish a similar state-level permitting pathway for Colorado to make

building renewable energy projects as simple and efficient as possible, with minimal bureaucratic hurdles and red tape.

State lawmakers should pair this permitting reform with strong labor standards and protections for all new public and private renewable energy projects, using the important progress made in <u>SB23-292</u> (Labor Requirements for Energy Sector Construction) as a starting point.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 12-13), which includes carbon reduction and mitigation technologies:

<u>"Department of Energy</u> – The bill provides a total of \$46.5 billion for the Department, including \$46.2 billion in Division D and \$300 million in emergency funds. The Disaster supplemental includes \$1.5 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds.

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CLIMATE RESILIENCE

Increase State Support for the Development and Implementation of Community Climate Action Plans

Local governments in Colorado are encouraged and supported in the adoption of local Climate Actions Plans that address greenhouse gas (GHG) emissions emitted within their boundaries. The Colorado Energy Office has already provided a helpful <u>website tool</u> supporting such plan development. Some grants are available from the Department of Local Affairs Office, but funding to develop and implement such plans must be increased to achieve wider adoption.

State lawmakers should increase funding available to support local governments in the development and implementation of Community Climate Action Plans that are consistent with Colorado's updated GHG Pollution Reduction Roadmap 2.0, and demonstrate sufficient action to achieve State GHG reduction goals within the boundaries of each community.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 12-13), which includes carbon reduction and mitigation technologies:

<u>"Department of Energy</u> – The bill provides a total of \$46.5 billion for the Department, including \$46.2 billion in Division D and \$300 million in emergency funds. The Disaster supplemental includes \$1.5 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds.

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- <u>Fossil Energy and Carbon Management</u> The bill provides \$890 million, an increase of \$65 million above the fiscal year 2022 level. This funding advances carbon reduction and mitigation in sectors and applications that are difficult to decarbonize, including the industrial sector, with technologies and methods such as carbon capture and storage, hydrogen, and direct air capture, while assisting in facilitating the transition toward a net-zero carbon economy and rebuilding a U.S. critical minerals supply chain."

Stop Expanding Oil and Gas Development

Colorado must take serious action to curtail further oil and gas development if it intends to achieve its statewide emissions reduction goals. State lawmakers should prioritize eliminating the most harmful and polluting wells, refineries, and other fossil fuel projects with an emphasis on (1) addressing air, water, and soil contamination and (2) considering the cumulative impacts within disproportionately impacted communities. Policy recommendations to achieve this objective include:

- Phase out issuance of new permits for oil and gas development by 2030 or earlier as needed to stay in line with Colorado's share of emissions reduction goals necessary to limit global climate change to a temperature increase of 1.5 degrees Celsius.
- Define climate change as a serious and irreversible threat to public health, safety, welfare and the environment which must be addressed by decreasing the number of permits each year until phased out.
- Reducing and/or denying permits based on close proximity to homes, schools, water sources, disproportionately impacted communities, and ozone nonattainment areas.
- Building on the important progress made with the passage of <u>SB22-198</u> (Orphaned Oil and Gas Wells Enterprise) by ensuring the orphaned wells mitigation enterprise and orphaned wells mitigation enterprise cash fund created by SB 22-198 have the funding and resources necessary to fully mitigate the liability presented to Colorado Taxpayers by orphaned and abandoned wells, including by increasing mitigation fees on operators as needed to achieve this goal.
- Creating a state program office with dedicated funding utilizing existing federal and state funding sources to employ and transition workers to inventory, monitor and plug orphaned/abandoned wells at prevailing wages.
- Identifying incentives to increase development of renewable energy projects on environmentally toxic land previously used for oil and gas extraction and production.
- Investing in soil and land restoration for areas affected by oil and gas production and refinement in conjunction with local tribes and communities, soil scientists and land restoration experts.
- Make ozone nonattainment areas off limits for new permits.
- Make fossil fuel companies ineligible for all state tax incentives that would further expand fossil fuel development (including general ones related to employment, growth, relocation, etc.).

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 12-13), which includes carbon reduction and mitigation technologies:

<u>"Department of Energy</u> – The bill provides a total of \$46.5 billion for the Department, including \$46.2 billion in Division D and \$300 million in emergency funds. The Disaster supplemental includes \$1.5 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds.

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Implement CPFC Recommendations

Over the last few years, Colorado has experienced the benefits of prescribed fires to protect communities from intense wildfires and restore the health of our local fire-adapted ecosystem. To support prescribed fire practices, state lawmakers should consider the following policy recommendations developed by the <u>Colorado Prescribed Fire Council</u> Steering Board:

- Increase funding to Division of Fire Prevention and Control (DFPC) to:
 - Expand the Certified Burner certification program into a larger, more in-depth training program with a goal of enabling more fire departments and qualified contractors to implement prescribed fires, including higher complexity projects.
 - Provide training burn opportunities for Certified Burner requirements.
 - Establish a multi-state regional Prescribed Fire Training Center in collaboration with partners from other western states facing similar threats from wildfires exacerbated by climate change.
 - Establish equipment and supply caches to support prescribed fires.
- Establish a financial backstop for prescription fire escape suppression. The Emergency Fire Fund (EFF) helps cover County and local agency costs for wildfire suppression but will not cover escaped prescribed fire suppression costs. Lawmakers should either expand the EFF to cover suppression of escaped prescribed fires or establish a new state level fund for this purpose. Access to this funding program could be linked to the Certified Burner program.

• Clarify and increase liability protection for DFPC Certified Burners, especially nongovernment employees and non-government organizations. Current protections are not adequate and have not been tested. Increased liability protection is needed to increase use of prescribed fires to the level necessary to mitigate broader wildfire risk to the fullest extent possible.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of the Interior (DOI)</u> funding identified in the Interior-Environment section of the <u>FY23 Summary of Appropriations</u> (p. 22-24), which includes various disaster preparedness and response priorities:

"The fiscal year 2023 Interior, Environment, and Related Agencies bill includes \$38.9 billion in regular appropriations, an increase of \$850 million above the fiscal year 2022 enacted level. <u>There is also \$2.6 billion of funding provided under the fire suppression cap adjustment. In addition, the bill includes another \$1.6 billion for wildfire preparedness and suppression activities and \$4.6 billion in disaster funding to provide for expenses related to wildfires, hurricanes, and other natural disasters in and prior to calendar year 2023.</u>

<u>Wildland Fire Management (WFM)</u> – The bill provides \$4.2 billion for WFM, which includes \$2.6 billion in cap adjusted fire suppression funding. In addition, the Bill includes \$1.6 billion for wildfire preparedness and suppression activities.

<u>Land and Water Conservation Fund (LWCF)</u> – The bill allocates \$900 million for land acquisition and support for state recreation programs. The fiscal year 2023 Interior, Environment, and Related Agencies Appropriations bill <u>provides \$4.6 billion to provide for expenses related to wildfires</u>, hurricanes, and other natural disasters in and prior to calendar year 2023."

Energy Impact Assistance Fund

Restructure the Energy Impact Assistance Fund (funded by state level oil and gas severance taxes) to prioritize climate mitigation. Funding could be used for the following purposes:

- Renewable energy projects
- Net zero energy projects (or next zero carbon)
- Energy efficiency upgrades in existing state and local government buildings
- Incentives for wider utilization of zero-emission heating, cooling, or water heating systems
- Supporting local climate action plans
- Just transition job training programs
- Water and wastewater projects
- Tree-planting projects

Strengthen Colorado's Emission Reduction Targets

Our current target of 90% reduction by 2050 is not ambitious enough to give us even a 50% chance of staying under 1.5 degrees Celsius of warming. We would need zero by 2050 for that 50/50 chance. We would need zero by 2037 for a 66% chance.

By law, the current targets are 'at a minimum,' but agencies are unlikely to make rules calling for more ambitious targets for fear of litigation. State lawmakers must put stronger emission reduction targets into law that will allow us to achieve our goals and avert catastrophic climate change.

Disaster Preparedness

Build on the important progress made with <u>SB22-206</u> (Disaster Preparedness and Recovery Resources) by continuing to set aside funding for and devoting state planning resources to climate mitigation, adaptation, resiliency, and recovery.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of the Interior (DOI)</u> funding identified in the Interior-Environment section of the <u>FY23 Summary of Appropriations</u> (p. 22-24), which includes various disaster preparedness and response priorities:

"The fiscal year 2023 Interior, Environment, and Related Agencies bill includes \$38.9 billion in regular appropriations, an increase of \$850 million above the fiscal year 2022 enacted level. There is also \$2.6 billion of funding provided under the fire suppression cap adjustment. In addition, the bill includes another \$1.6 billion for wildfire preparedness and suppression activities and \$4.6 billion in disaster funding to provide for expenses related to wildfires, hurricanes, and other natural disasters in and prior to calendar year 2023.

<u>Wildland Fire Management (WFM)</u> – The bill provides \$4.2 billion for WFM, which includes \$2.6 billion in cap adjusted fire suppression funding. In addition, the Bill includes \$1.6 billion for wildfire preparedness and suppression activities.

<u>Land and Water Conservation Fund (LWCF)</u> – The bill allocates \$900 million for land acquisition and support for state recreation programs. The fiscal year 2023 Interior, Environment, and Related Agencies Appropriations bill provides \$4.6 billion to provide for expenses related to wildfires, hurricanes, and other natural disasters in and prior to calendar year 2023."

INFRASTRUCTURE

Electric Vehicle Infrastructure Improvements

Colorado has made impressive progress towards building out its electric vehicle (EV) infrastructure. State lawmakers should build on this progress by continuing to expand the availability of EV charging stations to every corner of our state – especially in areas with high population density <u>and</u> rural and mountain regions where the availability of charging stations is currently limited and unreliable – to ensure widespread adoption of EVs.

Policy recommendations in this area include:

- Powering as many stations as possible with renewable energy sources and battery backups.
- Funding installation of Level 3 (rapid charging) and additional Level 2 EV charging stations at all state buildings to support the significant increase in EV utilization and state fleet electrification.
- Funding installation of Level 3 EV charging stations at all rest stops and state parks in Colorado.
- Build on the important progress made in <u>HB23-1272</u> (Tax Policy That Advances Decarbonization) by providing additional incentives to accelerate the consumer purchase of electric vehicles.

We are mindful of the concerns regarding housing costs expressed by Gov. Polis in his veto of <u>HB22-1218</u> (Resource Efficiency Buildings Electric Vehicles) which would have required the inclusion of electric vehicle charging in the construction of certain new commercial buildings and multi-family residences. We urge lawmakers to explore additional ways to increase the number of electric vehicle charging stations in Colorado through actions such as expanding the Colorado Energy Office's existing Charge Ahead Colorado program, which currently provides grant funding for community-based Level 2 and DC fast-charging (DCFC) electric vehicle charging stations.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Energy</u> funding identified in the Energy & Water Development section of the <u>FY23 Summary of Appropriations</u> (p. 12-13), which includes carbon reduction and mitigation technologies:

<u>"Department of Energy</u> – The bill provides a total of \$46.5 billion for the Department, including \$46.2 billion in Division D and \$300 million in emergency funds. The Disaster supplemental includes \$1.5 billion in additional funds, and the Ukraine supplemental includes \$126 million in additional funds.

• <u>Energy Efficiency and Renewable Energy</u> – The bill provides a record-level \$3.5 billion, an increase of \$260 million above the fiscal year 2022 level. This funding provides for clean, affordable, and secure energy and ensures American leadership in the transition to a global clean

energy economy.

- <u>State and Community Energy Programs</u> The bill provides \$471 million, an effective increase of \$44 million above the fiscal year 2022 level. This funding will support the Weatherization Assistance Program, Weatherization Readiness Fund, State Energy Program, Local Government Energy Program, and Energy Future Grants
- <u>Electricity</u> The bill provides \$350 million, an increase of \$73 million above the fiscal year 2022 level and \$53 million above the request. This funding will advance technologies to increase the resiliency and efficiency of the nation's electricity delivery system with capabilities to incorporate growing amounts of clean energy technologies"

This policy recommendation could also align with the <u>Rural Development and Infrastructure</u> funding identified in the Agriculture-Rural Development-FDA section of the <u>FY23 Summary</u> <u>of Appropriations</u> (p. 1-2):

"<u>Rural Development and Infrastructure</u> – The bill provides nearly \$4 billion for rural development programs. These programs help create an environment for economic growth by providing business and housing opportunities and building sustainable rural infrastructure for the modern economy.

• <u>Critical Infrastructure</u> – The legislation includes responsible infrastructure investments to help the country's rural areas access essential utilities. This includes \$1.47 billion for rural water and waste program loans, and over \$500 million in water and waste grants for clean and reliable drinking water systems and sanitary waste disposal systems, which will provide safe drinking water to millions of rural residents. <u>An additional \$8.2 billion in loan authority is provided for</u> <u>rural electric</u> and telephone infrastructure loans."

Incentivize Public Transport

Lawmakers should pursue every available opportunity to improve Colorado's transit infrastructure and make it easier to get around without a car. Policy recommendations in this area include:

- Promoting alternative transit development across Colorado such as light rail, commuter rail, bus rapid transit, and local bus service, depending on local needs and conditions
- Building on the success of <u>SB22-180</u> (Programs to Reduce Ozone Through Increased Transit) by expanding free transit beyond ozone season and making RTD permanently fare-free.
- Incentivize transit supportive land uses, including maximizing housing density and mixed-use zoning near transit stops, wherever possible.

Potential Federal Funding Opportunities

This policy recommendation could align with <u>f</u>unding identified in the Transportation-Housing & Urban Development section of the <u>FY23 Summary of Appropriations</u> (p. 44-46): "The 2023 Transportation, and Housing and Urban Development, and Related Agencies funding bill provides funding of \$87.3 billion, an increase of \$6.3 billion – nearly 8 percent – above 2022. This includes a discretionary increase of \$4.5 billion for the Department of Housing and Urban Development and \$1.8 billion for the Department of Transportation. In total, the bill provides \$164.9 billion in budgetary resources. The legislation:

- Creates and sustains tens of thousands of good-paying American jobs by rebuilding our crumbling infrastructure with significant investments in airports, highways, transit, passenger rail, and port systems.
- Fully implements the historic investments in the Infrastructure Investment and Jobs Act."

<u>Department of Transportation (DOT)</u> – For fiscal year 2023, the bill provides a total of \$106.3 billion in budgetary resources for DOT – an increase of \$3.4 billion above the fiscal year 2022 enacted level and \$1.9 billion above the President's 2023 budget request. The legislation:

- *Creates and leverages tens of thousands of additional jobs in construction and related industries.*
- *Improves the safety of our highways, aviation, transit, rail, and port systems*
- Fixes roads and highways, expands bicycle and pedestrian infrastructure, supports Federal auto safety programs, and invests in the transit state of good repair, consistent with the historic investments in the Infrastructure Investment and Jobs Act."
- For a detailed list of potential funding sources for transit priorities, please refer to p. 45-46 of the FY23 Summary of Appropriations

Fully Electrify Colorado's School Bus Fleets

Most gas-powered school buses in Colorado run on diesel fuel, emitting harmful compounds and particulate matter that poses a health risk to children on top of the negative climate impacts that come with their greenhouse gas emissions. We can realize significant public health and climate benefits by transitioning all school bus fleets in Colorado to electric buses.

Colorado took an important step towards this goal with the passage of <u>SB22-193</u> (Air Quality Improvement Investments), which established and funded the Colorado Electric School Bus Grant Program. State lawmakers should build on this success by identifying and providing whatever additional funding is needed to fully transition all Colorado school buses to electric buses.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Transportation (DOT)</u> funding identified in the Transportation-Housing & Urban Development section of the <u>FY23</u> <u>Summary of Appropriations</u> (p. 45), which includes dedicated funding for the Federal Transit Administration:

"\$16.9 billion for the Federal Transit Administration, including <u>\$13.6 billion for Transit Formula</u> <u>Grants to expand bus fleets</u> and increase the transit state of good repair, consistent with the *Infrastructure Investment and Jobs Act; a total of \$2.6 billion for Capital Investment Grants, to create new transit routes nationwide, \$387 million above fiscal year 2022; and <u>\$542 million for Transit</u> <i>Infrastructure Grants and projects, to assist transit agencies in purchasing low and no emission buses, improving urban and rural ferry systems, and carrying out local projects."*

Electric Bicycles (E-Bikes)

E-Bikes are a low-cost, climate friendly transportation option that are increasingly popular among Coloradans. Programs to subsidize the purchase of E-Bikes, such as Denver's E-Bike rebate program, have been wildly popular and are in increasingly high demand.

State lawmakers should build on the important progress made through the creation of the community access to electric bicycles grant and rebate programs in <u>SB22-193</u> (Air Quality Improvement Investments) by expanding funding for these programs and continuing to invest in policies that encourage Coloradans to use electric bicycles for their transportation needs.

Lawmakers should also prioritize determining the costs and prospective funding sources necessary to significantly expand Colorado's bicycle infrastructure (including permanent, protected bicycle lanes and bicycle highways designed to provide alternatives to commuting by car) modeled after international best practices from nations such as the Netherlands.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Transportation (DOT)</u> funding identified in the Transportation-Housing & Urban Development section of the <u>FY23</u> <u>Summary of Appropriations</u> (p. 45), which includes dedicated funding for the Federal Transit Administration:

"\$16.9 billion for the Federal Transit Administration, including \$13.6 billion for Transit Formula Grants to expand bus fleets and increase the transit state of good repair, consistent with the Infrastructure Investment and Jobs Act; a total of \$2.6 billion for Capital Investment Grants, to create new transit routes nationwide, \$387 million above fiscal year 2022; and \$542 million for Transit Infrastructure Grants and projects, to assist transit agencies in purchasing low and no emission buses, improving urban and rural ferry systems, and carrying out local projects."

Bike Infrastructure Navigator

Local governments are missing out on potential funding opportunities to build out their bicycle infrastructure. State lawmakers should establish a state-level Bicycle Infrastructure Navigator Office tasked with identifying federal funding opportunities for local governments and guiding them through the application process. If proven successful, this model could be expanded to other areas where federal funding is potentially available, such as for transit infrastructure.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Transportation (DOT)</u> funding identified in the Transportation-Housing & Urban Development section of the <u>FY23</u> <u>Summary of Appropriations</u> (p. 45):

<u>"Department of Transportation (DOT)</u> – For fiscal year 2023, the bill provides a total of \$106.3 billion in budgetary resources for DOT – an increase of \$3.4 billion above the fiscal year 2022 enacted level and \$1.9 billion above the President's 2023 budget request. The legislation:

- *Creates and leverages tens of thousands of additional jobs in construction and related industries.*
- *Improves the safety of our highways, aviation, transit, rail, and port systems*
- Fixes roads and highways, <u>expands bicycle and pedestrian infrastructure</u>, supports Federal auto safety programs, and invests in the transit state of good repair, consistent with the historic investments in the Infrastructure Investment and Jobs Act."

WATER

Waters of the U.S.

In May of 2023 the U.S. Supreme Court significantly curtailed the power of the Environmental Protection Agency to regulate the nation's wetlands and waterways. Striving to oversee numerous streams and wetlands left exposed in the wake of this decision, Colorado water quality authorities have taken prompt emergency actions to institute temporary safeguards.

These safeguards temporarily give authority to The Colorado Department of Public Health and Environment (CDPHE) to mandate notification of discharges into state waters, and to direct enforcement actions in instances of unauthorized discharge of dredge and fill materials into state waters. The goal of this is to provide protection until a more sustainable program can be put in place. State lawmakers should prioritize enacting more sustainable solutions, such as:

- <u>Creation of a wetlands law specific to Colorado</u> that will offer broad, lasting protections. A handful of states, including <u>Ohio</u> and <u>New York</u>, have taken similar action in the wake of the Supreme Courts' ruling.
- <u>Identifying an agency to grant permitting and enforcement authority</u>. As a result of the new Supreme Court decision, no agency has the authority to issue a permit or take enforcement action on these newly unprotected wetlands. State agencies must step in as a long-term alternative to fill this void created by the Supreme Court's ruling, which stripped this authority from Federal agencies.

Drought Task Force

We will update this section in January after the task force releases their report in December.

Non-Functional Turf and Turf Replacement Funding

Water intensive plants such as "nonfunctional turf" (i.e., decorative grass in public areas like right-of-ways) account for an unacceptable amount of municipal water use given Colorado's on-going water crisis. State lawmakers should take action to reduce the prevalence of water-intensive plants throughout Colorado, especially for decorative uses. Policy recommendations to achieve this objective include:

• Prioritizing replacing grass and other water-intensive plants in public spaces with pollinators and other drought tolerant plants. This would help communities across our state cut water use, reduce pollution caused by overuse of nitrogen in fertilizers thus reducing algae blooms in our waters, and reduce the warming of the waters and of the air. This would also increase available habitat for pollinators and pollination of food crops.

- Build on the progress made with the passage of <u>HB22-1151</u> (Turf Replacement Program) by increasing funding for the financial incentives for the voluntary replacement of irrigated turf with water-wise landscaping established by HB22-1151.
- Evaluate and enact more aggressive policy prescriptions that go beyond HB22-1151's voluntary approach by looking for opportunities to mandate and financially support the replacement of irrigated turf with water-wise landscaping wherever possible.
- Enact a statewide prohibition on the installation of non-functional turf in all new construction projects.

Drought Tolerant Shade Tree Planting Campaign

State lawmakers should fund a statewide effort to plant drought tolerant shade trees in public spaces such as parks, public rights-of-way, and communities lacking in shade trees to increase drought resilience and mitigate urban heat island effects. Lawmakers should also consider requiring all new construction projects to utilize low-water use plantings instead of water-intensive plantings such as grass.

Implement Ten Strategies Recommendations

Implement the climate resilience concepts outlined in the Ten Strategies for Climate Resilience in the Colorado River Basin Report commissioned by American Rivers, Environmental Defense Fund, National Audubon Society, The Nature Conservancy, Theodore Roosevelt Conservation Partnership, Trout Unlimited, and the Western Resource Advocates. The complete report, along with an overview of potential federal funding opportunities (including the Infrastructure Investment and Jobs Act of 2021) can be viewed at <u>tenstrategies.net</u>

Potential Federal Funding Opportunities

Ten Strategies has identified specific funding opportunities that can be applied to the Ten Strategies at <u>https://www.tenstrategies.net/newfederalfunding</u>

HOUSING

Zoning and land use

State lawmakers should reform statewide zoning regulations to encourage density and discourage sprawl, encourage energy efficiency and climate resiliency, encourage development of walkable, bikeable, and transit-oriented housing, and increase Colorado's housing supply.

Lawmakers should also enact a statewide prohibition on minimum parking requirements. These minimums tie the hands of developers and often force the inclusion of needlessly large parking lots in new development, increasing the cost of building new housing and moving Colorado further away from its climate goals by encouraging sprawling, inefficient development.

Prioritize Affordable Housing

Lack of affordable housing options continues to be one of the single biggest issues facing Coloradans from all walks of life. Lawmakers should prioritize a broad range of policy reforms to grow our stock of affordable housing, including:

- Continuing to fund and expand public institutions committed to housing affordability such as the middle-income housing authority created by <u>SB22-232</u> (Creation of Colorado Workforce Housing Trust Authority)
- Building on the important progress made with the passage of <u>HB22-1304</u> (State Grants Investments Local Affordable Housing) by continuing to fund and expand grant programs that support continued investment in transformational affordable housing programs and infill infrastructure projects that support affordable housing.
- Funding housing innovation technologies (like 3D printing) to support affordable housing starts that are high quality in every county.
- Creating an escalating property tax or investment fee on each successive single-family property owned by an individual or corporation that they are not living in or using for more than a certain amount of time per year, i.e., a premium of 5% on 2nd property, 8% on 3rd property, and so on. Put revenue generated from this fee into a fund for first-time homebuyers to help them compete with the aggressive cash offers pushing them out of the market.
- Providing funding for energy efficiency improvements for existing and new housing construction to increase savings on energy bills and meet emission goals.
- Establishing a statewide landlord/property ownership registry to provide policy makers with a full accounting of Colorado's housing stock, who owns Colorado rental properties and whether they are based in state, the extent to which investment LLCs and hedge funds currently control Colorado's housing stock, and insights into long term trends affecting Colorado's housing stock. Currently, this kind of information is

only available on a piecemeal basis making it difficult to obtain a fully accurate understanding of the true scope of Colorado's affordable housing crisis.

Potential Federal Funding Opportunities

There are a wide array of potential funding sources to support affordable housing policies throughout the <u>FY23 Summary of Appropriations</u>, including:

- <u>"Rural Housing Loans and Rental Assistance (p.2)</u> The bill provides a total of \$30 billion in loan authority for the Single Family Housing Guaranteed Loan Program. The bill includes \$1.25 billion in direct single family housing loans, meeting the estimated need for these loans, which provide home loan assistance to low-income rural families, many of whom would have few loan options for purchasing a home because of their geographical location. In addition, a total of \$1.49 billion is provided for rental assistance and rental vouchers for affordable rental housing for low-income families and the elderly in rural communities to renew all existing rental assistance contracts. In fiscal year 2020, Rural Development housing programs provided affordable housing to 138,331 rural homeowners and over 250,000 rental units."
- Due to Colorado's large number of military bases and military families and residents, there could potentially be resources to tap in the Military Construction & Veterans Affairs budget (p.35): "\$2 billion for Family Housing, an increase of \$562.8 million above the fiscal year 2022 enacted level and \$30 million above the budget request. Within this amount, an additional \$30 million is to increase oversight of DOD-owned and privatized housing."
- *"The 2023 <u>Transportation, and Housing and Urban Development, and Related Agencies</u> <u>funding bill (p.44)</u> provides funding of \$87.3 billion, an increase of \$6.3 billion – nearly 8 percent – above 2022. This includes a discretionary increase of \$4.5 billion for the Department of Housing and Urban Development. In total, the bill provides \$164.9 billion in budgetary resources.*
- <u>Department of Housing and Urban Development (HUD) (p.46)</u> For fiscal year 2023, the bill provides a total of \$58.2 billion for HUD an increase of \$4.5 billion above fiscal year 2022. The legislation:
 - Provides \$225 million to support the resiliency and preservation of manufactured housing and manufactured housing communities, home to more than 20 million low-income and working families living in America under the new Preservation and Reinvestment Initiative for Community Enhancement (PRICE) program. This level of funding also includes \$25 million to provide grants to assist in the redevelopment of manufactured housing communities as replacement housing that is affordable.
 - Provides up to \$2.5 million for technical assistance for recipients of grants under the PRICE program, to strengthen urban and rural communities, Tribal communities, and areas prone to natural disasters.
 - Provides \$85 million for a new competitive grant program that will reward communities that have made progress in improving inclusionary zoning practices, land use policies, and housing infrastructure that will ultimately increase the supply of affordable housing.

- Expands housing choice vouchers to nearly 12,000 low-income individuals and families experiencing or at risk of homelessness, including survivors of domestic violence and veterans, in addition to the 25,000 new vouchers provided in fiscal year 2022.
- Protects housing assistance for more than 4.8 million individuals and families to ensure they continue to remain in safe, stable, and affordable housing.
- Includes \$12.6 billion in funding for new affordable housing, critical health, safety, and maintenance improvements to ensure the safety and quality of public and low-income housing, including new support for manufactured housing, and community development activities, including \$258.3 million to construct over 2,800 new affordable housing units for seniors and persons with disabilities, \$1.5 billion in direct funding to states and local governments through the HOME Investment Partnerships Program, and significantly increases investments in distressed neighborhoods through the Choice Neighborhoods Initiative program.
- \$30.3 billion for Tenant-based Rental Assistance to continue to serve more than 2.3 million very low and extremely low-income households nationwide. This level of funding also includes \$50 million to expand housing assistance to nearly 12,000 low-income families, including individuals and families experiencing or at risk of homelessness, including survivors of domestic violence and veterans. A combined \$57.5 million is provided for the HUD/VA Supportive Housing for Homeless Veterans and Native American Veterans programs.
- \$8.5 billion for Public Housing, \$62.5 million above fiscal year 2022, including \$3.2 billion to meet the full annual capital accrual need in order to improve the quality and safety of public housing for more than 1.7 million residents.
- \$499 million for Housing Opportunities for Persons with AIDS, to protect housing for more than 45,600 low-income households living with HIV and services for more than 62,400 households, an increase of \$49 million above fiscal year 2022.
- Sustained investments to revitalize low-income housing and distressed communities through the Choice Neighborhoods Initiative, providing \$350 million, \$100 million above the President's budget request.
- An increase of \$16 million in supportive services for HUD-assisted households to improve their connections to jobs, healthcare, and educational opportunities by providing \$175 million for Self Sufficiency Programs

Combatting Homelessness

Homelessness is the most acute symptom of our affordable housing crisis. Lawmakers should prioritize a broad range of policy reforms to end homelessness in Colorado, including:

• Constructing permanent supportive housing communities modeled after the successful "housing first" approach employed by national and international housing policy leaders <u>(Houston's program is a great example</u>). Specifically, state lawmakers

should consider drawing inspiration from international best practices employed in successful programs in nations like Finland and Austria, and US Cities like Salt Lake City, Utah and <u>Denver's Supportive Housing Social Impact Bond program.</u>

- Building on the important progress made with the passage of <u>HB22-1304</u> (State Grants Investments Local Affordable Housing) by continuing to fund and expand grant programs that support continued investment in transformational affordable housing programs, with an emphasis on permanent supportive housing aimed at transitioning people out of homelessness.
- Utilizing empty hotels, abandoned buildings and single-family homes to house individuals and families experiencing homelessness.
- Funding programs that support transitional and permanent housing for those experiencing homelessness.

Potential Federal Funding Opportunities

This policy recommendation could align with the <u>Department of Housing and Urban</u> <u>Development (HUD)</u> funding identified in the Transportation-Housing & Urban Development section of the <u>FY23 Summary of Appropriations</u> (p. 46):

<u>"Department of Housing and Urban Development (HUD)</u> – For fiscal year 2023, the bill provides a total of \$58.2 billion for HUD – an increase of \$4.5 billion above fiscal year 2022.

- \$12.3 billion for Community Planning and Development, an increase of \$2.3 billion above fiscal year 2022, including \$3.3 billion for Community Development Block Grants. This also includes \$1.5 billion for the HOME Investment Partnerships Program which has helped preserve approximately 1.35 million affordable homes nationally.
- More than 18,000 new housing options for people at risk of or experiencing homelessness while also continuing assistance to over 750,000 people experiencing homelessness and more than 350,000 individuals in emergency shelters, by including \$3.6 billion for Homeless Assistance Grants, an increase of \$420 million above fiscal year 2022. This also includes \$75 million for new construction, acquisition or rehabilitation of new permanent supportive housing to expand housing options for people experiencing homelessness.
- \$14.9 billion for Project-based Rental Assistance to continue to house more than 1.2 million very low and low-income households nationwide, an increase of \$967 million above fiscal year 2022. An additional \$1 billion is provided for Housing for the Elderly, including \$25 million to expand housing units to intergenerational families, to build nearly 1,120 new affordable housing units for low-income seniors and \$360 million for Housing for Persons with Disabilities to construct approximately 1,600 new affordable housing units for persons with disabilities.
- \$57.5 million for Housing Counseling assistance for renters, homeowners, and those considering homeownership and \$145.4 million for Policy Development and Research, including \$20 million to continue legal aid assistance for eviction prevention. Increased enforcement in fair housing by providing \$86.4 million for Fair Housing and Equal Opportunity.

- \$410 million for the Office of Lead Hazard Control and Healthy Homes, \$10 million above the President's budget request, including \$5 million to continue a radon testing and mitigation demonstration program for public housing and \$25 million to continue a demonstration program to conduct inspections for lead in housing choice voucher units.
- Community projects identified by more than 295 Members of Congress and 60 Senators on both sides of the aisle to support a variety of targeted housing, economic, and community development investments.