Transition Assistance for Coal Workers and Their Communities

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On August 9, 2016, Morris released a report entitled "The Challenge of State Reliance on Revenue from Fossil Fuel Production." (<https://www.brookings.edu/wp-content/uploads/2016/08/state-fiscal-implications-of-fossil-fuel-production-0809216-morris.pdf>).

The paper argues that states that currently rely on fossil fuel production for a disproportionate share of their revenues are already experiencing sharp declines in revenue and will eventually need to restructure their tax systems. The sooner they prepare for this transition, the easier it will be. The report illustrates the risks to state and local fiscal systems in a section on West Virginia (p. 20) and discusses how the downturn in coal production there has disproportionately hurt coal-producing counties, not just because they lost jobs but also because they relied so heavily on severance taxes on that coal production. This erosion of the tax base compounds the economic damage from workforce reductions. The paper suggests alternative ways to raise revenue in fossil-intensive states, including a carbon tax (p. 23), which is based on fuel consumption levels rather than the value of production, and thus is not a function of volatile prices.

In her public lectures and panel sessions, as well as in private meetings, Morris continues to emphasize the challenges facing coal workers and their communities and the importance of helping them through the transition. For example, at this event at the Center for Strategic and International Studies, Morris emphasizes that one advantage of a carbon tax over regulation is the availability of revenue to help coal workers and coal reliant communities. (<https://www.csis.org/events/pathways-us-greenhouse-gas-emissions-reduction-what-options-are-table> -- see around minute 26)