

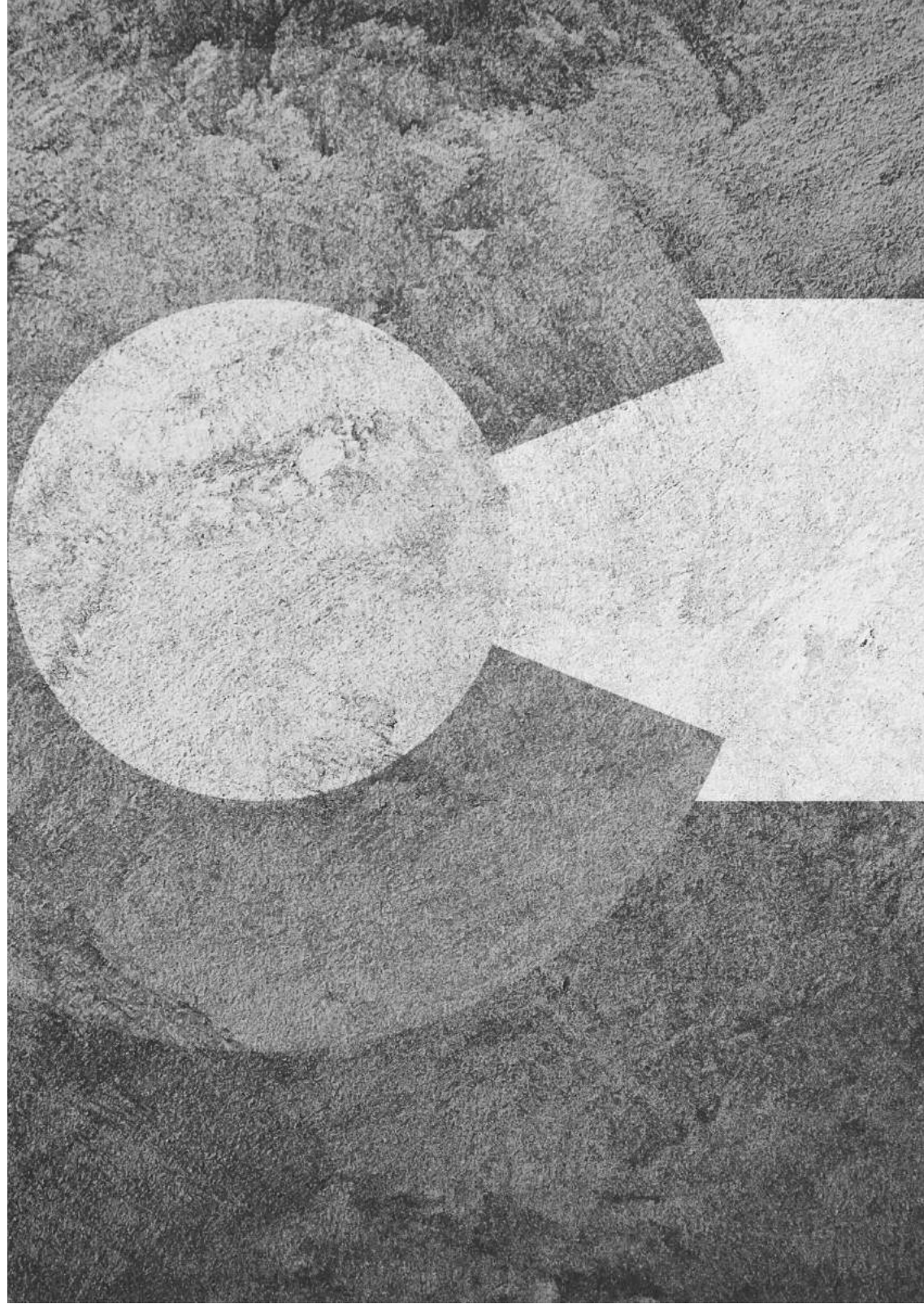
**2021
STIMULUS**

PRESENTED BY SENATE &
HOUSE LEADERSHIP

IN COLLABORATION WITH
GOVERNOR JARED POLIS

THE COLORADO RECOVERY PLAN

COLORADO'S UNIQUE SOLUTION, 2021 STIMULUS PLAN



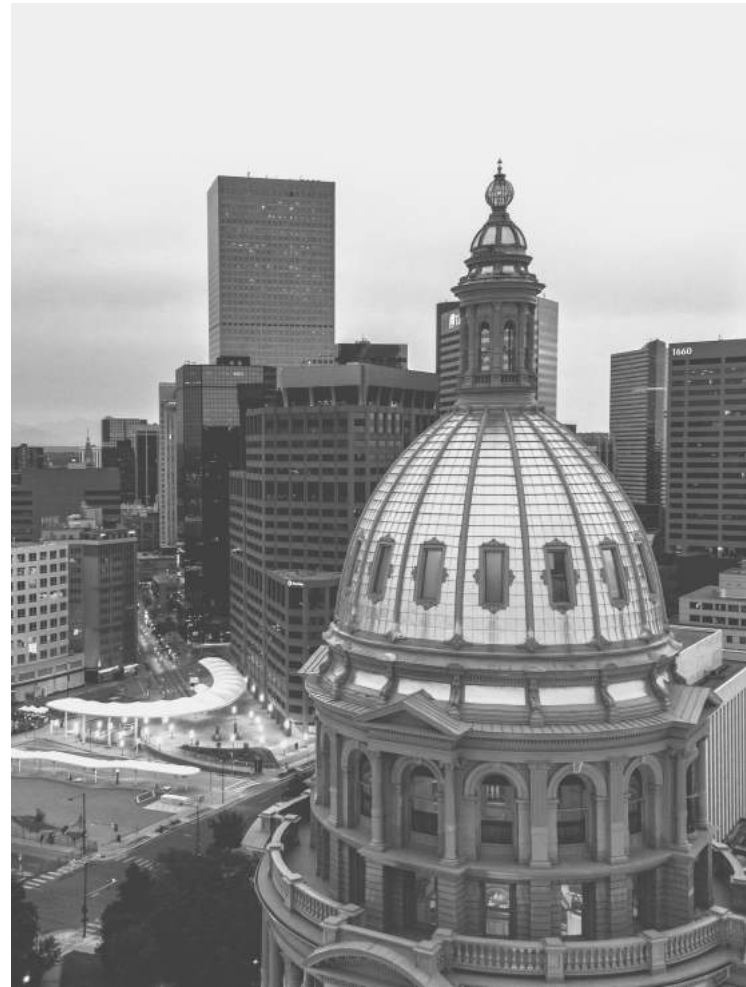
A MESSAGE FROM LEADERSHIP

After a year of isolation, fear and loss, we are a community changed. People's jobs have disappeared, their savings bled dry, and their lives thrust into a seemingly endless barrage of tragedy and unrest. But a new day is dawning. As vaccine distribution increases, we are well on our way towards a Colorado comeback.

During this process of recovery and healing, we are committed to not only "returning things to normal" but working to right the wrongs of an economy that already disadvantaged working people and correcting course towards a system that benefits ALL Coloradans. That's why we have come together to deliver a unique Colorado solution that will stimulate our economy and invest in our collective future.

Over the last few months, we have worked diligently on a custom recovery strategy for our state – focusing specifically on the hardest-hit sectors of our economy and community.

This package of legislation is designed to speed our recovery and rebuild a more just and resilient Colorado.



From supporting small businesses to increasing individual economic mobility, the goal of this stimulus package is to pave the way for a more inclusive, robust recovery. Every corner of our state has been hit hard by this pandemic, and we have to make sure that no one is left behind. This means developing distinct strategies that meet each sector's specific needs. Whether it's agriculture, infrastructure, or workforce development, we will tailor-make solutions that reinforce the holistic health of our state. This allows us to begin recovering what was lost and reimagining a future where we build back stronger.

EXECUTIVE SUMMARY

Our focus is simple: help Colorado recover faster and build back stronger.

The legislature has used every tool available to provide relief to the Coloradans who have been hit hardest by this pandemic. Now, we'll pass a bold and ambitious economic stimulus to create jobs and jumpstart our recovery. This plan looks comprehensively at where state dollars can have the greatest impact. It takes into account prior federal stimulus investments and the fact that this pandemic has impacted each sector of our economy and each part of our state differently. We're building back stronger the Colorado way.

Developed with bipartisan input from lawmakers and community partners across the state, this plan prioritizes one-time investments, like broadband infrastructure and affordable housing development, that will have the greatest stimulative effect and benefit the hardest hit communities.

Five big goals will guide dozens of solutions narrowly tailored to meet the challenge at hand:

- 1. Strengthening small businesses**
- 2. Revitalizing our infrastructure**
- 3. Supporting Colorado families**
- 4. Investing in rural Colorado**
- 5. Developing our workforce**

By investing in our roads, schools, workers, and businesses, we will create good-paying jobs and keep Colorado competitive. An innovative economic gardening proposal will help medium-sized businesses that are poised to take off, grow, and expand. A startup loan fund will break down barriers to capital for entrepreneurs eager to meet needs in communities where businesses have closed.

This package provides significant funding to boost agriculture supply chains, increase access to child care, and build the infrastructure of tomorrow. It aims to make communities more livable by increasing access to affordable housing and revitalizing main streets and downtowns. It also prioritizes Colorado's future by investing in renewable energy, resource conservation, and environmental protection.

Together, we can forge a just and inclusive recovery where every Coloradan has a fair shot to thrive and no one is left behind.

GOAL 1: STRENGTHENING SMALL BUSINESSES

The pandemic has taken a devastating toll on our small businesses. As restaurants, bars and other establishments have had to adhere to capacity limits to protect our health, some businesses have closed their doors entirely, leaving small business owners discouraged and distressed, and forcing more Coloradans on unemployment. Colorado's recovery depends on small businesses thriving – our stimulus will lift up local businesses, create jobs and jumpstart our economy.



- **Lending small businesses a helping hand**
- **Getting Coloradans back to work**
- **Forging an inclusive economic recovery**

1 **Energize Colorado Gap Fund** - Provide additional support to small businesses through the Energize Colorado Gap Fund. The Gap Fund provides much-needed relief in the form of one-time grants to small businesses across the state. To qualify for the grant program, businesses must have less than 25 employees. The fund prioritizes applicants in rural areas, businesses that did not qualify for the Paycheck Protection Program, women, minority and veteran-owned businesses, as well as small restaurants.

Proposed Funding Amount: \$10-15 Million

2 **Relief for Arts/Culture Organizations** - Provide additional support to the arts & culture organizations central to communities across Colorado to help bridge their recovery while the state works to vaccinate the broader population.

Proposed Funding Amount: \$3-5 Million

3 **Restaurant Sales Tax Relief**- Extending the ability of small restaurants and bars to retain sales tax revenue in lieu of remitting the funds to the State to help keep more dollars in restaurants' pockets that can be used to sustain operations.

Proposed Funding Amount: \$40-50 Million

GOAL 1: STRENGTHENING SMALL BUSINESSES

4 **Incentivize Events and Conferences**- Funding to incentivize and retain events in Colorado in 2021 through a 10 percent credit against the hard costs of hosting a meeting or event through 2021. Hard costs could include hotel rooms, food & beverage and audiovisual expenses.

Proposed Funding Amount: \$10 Million

5 **Advanced Industry Grant Program**- Funding for the Advanced Industries Accelerator Grant Program for businesses that can accelerate Colorado's recovery by creating high-paying jobs, directly contribute to our public health efforts and help maintain our diversified economy. (This was included in SB21-042).

Proposed Funding Amount: \$10 Million

6 **OEDIT Strategic Fund**- Incentives to businesses that provide new jobs and stimulate the economy. (This is included in SB21-042).

Proposed Funding Amount: \$15 Million

7 **Colorado Startup Loan Fund**- Funds to Community Development Financial Institutions (CDFIs) that lend money to historically underserved entrepreneurs for starting up new businesses to fill the needs created by business closures due to COVID-19 and promote an equitable recovery.

Proposed Funding Amount: \$20-30 Million

8 **Economic Gardening** - Funding to foster the growth of existing companies that have moved from the start-up stage into the second-stage and/or are on the verge of rapid growth or profitability. Funding would prioritize historically underserved entrepreneurs.

Proposed Funding Amount: \$2-3 Million

GOAL 2: REVITALIZING OUR INFRASTRUCTURE

From expanding access to broadband to revitalizing Main Streets and downtowns across Colorado, this package will invest in the infrastructure of the future to create jobs and foster the quality of life our state is known for. The benefits of strengthening our infrastructure are widespread and obvious: good jobs, better roads, more homes connected to faster internet, and greater access to affordable places to live.



- **Funding shovel ready projects & revitalizing main streets**
- **Investing in renewable energy & long-term sustainability**
- **Expanding broadband to every corner of the state**

1 **Shovel Ready Infrastructure Projects-** Support infrastructure improvements in tourism corridors and scenic byways, wildlife migration corridor enhancements, Denver Metro West 1-70 bridges, and improvements to the Eisenhower-Johnson Memorial Tunnels.

Proposed Funding Amount: \$170 Million

2 **Revitalizing Main St.-** Funds to support infrastructure projects that provide open spaces for mobility, community activities, and economic development in the wake of the COVID-19 emergency (this is included in SB21-110).

Proposed Funding Amount: \$30 Million

3 **Innovative Housing and Community Revitalization** - Matching funds to transform downtown spaces and create more sustainable affordable housing in urban areas. As the cost of living continues to rise in Colorado, many families are being forced out of their homes. So ensuring urban areas have adequate affordable housing options as well as safe community spaces is critical to maintaining the vibrant diversity and longevity of our city centers.

Proposed Funding Amount: \$60-80 Million

GOAL 2: REVITALIZING OUR INFRASTRUCTURE

- 4 **Access to State Parks** - Funds so Dept. of Natural Resources may construct, rehabilitate, and improve infrastructure and facilities at 12 state parks, including accelerated buildout of Fishers Peak State Park. (SB21-112)
Funding Amount: \$20 Million
- 5 **Broadband Investments**- Funding for middle and last mile to expand broadband infrastructure in response to the social and economic disruption caused by the COVID-19 pandemic.
Proposed Funding Amount: \$50-75 Million
- 6 **State Water Plan Projects** - One-time additional funds to complete projects identified in the State's Water Plan.
Proposed Funding Amount: \$10-20 Million
- 7 **Clean Energy Finance** - Funding for several existing programs within the Colorado Energy Office, including the CO Clean Energy Fund, the New Energy Improvement District, and the Residential Energy Upgrade Loan program to scale their impact and drive economic activity.
Proposed Funding Amount: \$30-40 Million
- 8 **RENEW Grant for Local Governments**- Funds for the RENEW grant program, which provides local governments with funds to invest in clean energy projects like community solar gardens or EV charging stations.
Proposed Funding Amount: \$2-5 Million
- 9 **Weatherization and Resiliency Grants**- Funding for the Weatherization Assistance Program (WAP), which offers cost-effective energy efficiency services to Colorado's low-income residents. These projects reduce wasted energy and lower costs while improving the overall comfort and safety of a home year-round.
Proposed Funding Amount: \$3-5 Million

GOAL 3: SUPPORTING CO FAMILIES

The last year exacerbated many of the inequities and underlying issues in our society that have been swept under the rug for too long. Everyone has suffered throughout this pandemic, but already-vulnerable Coloradans have suffered the most. The targeted relief in this stimulus package will focus on aid for educators, child care, mental health support systems, and affordable housing.



- **Stabilizing communities through affordable housing**
- **Bridging achievements gaps so no student falls behind**
- **Mobilizing resources for mental health support**

1 **School Tutoring/Summer School** - Funding for extended learning opportunities, such as tutoring assistance, for the most vulnerable K-12 students to help close educational gaps exacerbated by the pandemic.
Proposed Funding Amount: \$5-10 Million

2 **Mental Health Screenings in Schools** - Funding to implement statewide voluntary screenings and provide three free telehealth interventions for students 12 and older. Addressing the socio-emotional needs of young people is imperative--educators are reporting an increased need for mental health support for students struggling during the pandemic.
Proposed Funding Amount: \$8-9 Million

3 **Mental Health Hotline** - Funding for the hotline for unemployed individuals to provide assistance to access behavioral health services through their insurance, Medicaid, or state-funded services. If no payor exists, the hotline will assist the caller in getting enrolled in benefits for behavioral health, Medicaid, SNAP, or other state assistance.
Proposed Funding Amount: \$1-2 Million

GOAL 3: SUPPORTING CO FAMILIES

- 4 **Childcare Business Support**- Funds for new child care facility space to help fill vacant buildings and meet our expanding needs for high-quality child care. Finding quality, affordable childcare is one of the single greatest challenges for working families, and the pandemic has only made it more difficult.

Proposed Funding Amount: \$5-10 Million

- 5 **Program to purchase, or rent rooms in, hotels for the homeless-** Funds for local governments to rent hotel rooms, purchase, or lease-to-purchase hotels and motels for people experiencing homelessness.

Proposed Funding Amount: \$10-15 Million

- 6 **Affordable Housing Incentive Program**- Seed funds for a program that would incentivize local governments to adopt policies from a menu of time-tested options to help further affordable housing development. Examples of menu items include: reducing building permit fees for affordable housing units, creating a vacant property registration for the development of affordable housing, or authorization of cluster zoning.

Proposed Funding Amount: \$8-10 Million

- 7 **BEST Grant Projects** - Funds for Building Excellent Schools Today (BEST) grant projects for school construction that did not receive funding in the 2019-2020 grant cycle to help make sure all of our schools are great places for students to learn.

Proposed Funding Amount: \$10 Million

GOAL 4: INVESTING IN RURAL CO

Boosting agriculture and rural communities strikes at the heart of what it means to protect our Colorado Way of Life. From devastating wildfires becoming more threatening every year to changing market forces stressing agriculture producers, the challenges facing rural Colorado present new opportunities to create jobs and build back stronger. These innovative proposals will support critical supply chains, grow the industries that create jobs in rural Colorado, and help our farmers respond to drought.



- **Protecting communities from devastating fires**
- **Supporting energy workers transitioning to the economy of the future**
- **Growing our proud agriculture economy**

- 1 **Wildfire Recovery and Risk Mitigation Grants** - Funds to support several thousand acres of shovel-ready forest restoration projects to protect communities, property and infrastructure in the wildland-urban interface from wildfire.
Proposed Funding Amount: \$10-25 Million
- 2 **Watershed Restoration Grant Program**- Funds to protect and preserve Colorado watersheds and defend against wildfire.
Proposed Funding Amount: \$10-25 Million
- 3 **Just Transition/Rural Economic Diversification**- Funding to partner with local communities to create new job opportunities and assist in the transition away from coal. Funding can be used for infrastructure investments or workforce training opportunities.
Proposed Funding Amount: \$10-15 Million

GOAL 4: INVESTING IN RURAL COLORADO

- 4 **REDI Grants**- Funds for the Rural Economic Development Initiative (REDI) program, designed to help rural communities comprehensively diversify their local economy and create a more resilient Colorado.
Proposed Funding Amount: \$3-5 Million
- 5 **Rural Jump Start** - Additional funding toward the Rural Jump Start program to attract businesses and incentivize job creation in rural Colorado.
Proposed Funding Amount: \$3 Million
- 6 **Support of Stock Show, State Fair, etc**- Funds to sustain events that are critical to our local economies.
Proposed Funding Amount: \$7-10 Million
- 7 **Investments in Ag supply chains** - Competitive grants for rural agriculture infrastructure investment, including processing plants, storage, and distribution, to help diversify the supply chain for traditional agriculture products and promote Colorado's emerging crops like hemp.
Proposed Funding Amount: \$20-35 Million
- 8 **Investments in ACRE3**- Investment in renewable energy and energy efficiency (ACRE3) grants to support Colorado's agricultural producers and processors in reducing their energy costs.
Proposed Funding Amount: \$3-5 Million
- 9 **Investments in Drought Response** - Funding to help Colorado's farmers and ranchers prepare for and respond to the devastating impacts of severe drought.
Proposed Funding Amount: \$2-5 Million
- 10 **Funding for Colorado Proud** - Assistance for small-and medium-sized agricultural producers to develop new markets and expand through the Colorado Proud program.
Proposed Funding Amount: \$2-3 Million

GOAL 5: DEVELOPING OUR WORKFORCE

Over the last year, our state's unemployment rate nearly doubled, as hundreds of thousands of Coloradans were either let go, furloughed, or had their hours reduced. As we begin to get Colorado back to work, we must invest in our most valuable asset: our people. This stimulus will finance local workforce development programs around the state, support displaced workers, and help get the most vulnerable Coloradans back on their feet, including women who have been disproportionately impacted.



- **Focusing support for displaced workers**
- **Expanding educational resources to accelerate employment**
- **Bringing workforce training where it's needed most**

1 **Educator Licensure Fees** - Funding to help provide regulatory relief for hardworking educators by HB21-1104 sponsored by Reps. McLachlan & Larson, extending the renewal period for teacher licensure from 5 to 7 years.

Proposed Funding Amount: \$3.4 Million

2 **Workforce Centers & Training Awards**- Funding for two-year grants to local workforce boards to help provide training awards and wraparound worker supports to help lead to industry-recognized credentials in the "top jobs" in growing employment sectors as defined in the 2020 Talent Pipeline report.

Proposed Funding Amount: \$15-25 Million

3 **COSI Displaced Workers** - Funding for the Colorado Opportunity Scholarship Initiative (COSI)'s Displaced Workers program to help provide scholarships and wraparound support for Coloradans with some college but no degree. This funding would also include funding for scaling high-demand programs at community colleges.

Proposed Funding Amount: \$10-15 Million

GOAL 5: DEVELOPING OUR WORKFORCE

- 4 **Energy Career Pathways** - Funding for a career pathway for the energy sector through a network of the Colorado Work Force Development Council, local work force boards, the CO Department of Education, superintendents of local school districts, the state board for community colleges and occupational education, and other postsecondary partners.
Proposed Funding Amount: \$3-5 Million
- 5 **SNAP Employment and Training** - Increased investment into Colorado's SNAP Employment and Training program, known as Employment First, which serves SNAP recipients through skills training and work-related education and training activities.
Proposed Funding Amount: \$2-4 Million
- 6 **Professional Training for Success Re-entry** - Funding for professional training, small business lending, and other types of support for formerly incarcerated individuals for successful reentry.
Proposed Funding Amount: \$1-3 Million