



Guidance for Colorado Coal Transition Community Funding Opportunities

The Office of Just Transition (OJT), within the Colorado Department of Labor & Employment, and the Office of Economic Development & International Trade (OEDIT) are partnering to make a new phase of grants available to Colorado’s coal transition communities.

In 2022, the Colorado General Assembly appropriated funds to both OJT and OEDIT to support coal transition communities. OJT and OEDIT have earmarked specific amounts of these funds for grants to each transition community based on specific criteria and formulas (more information on these criteria and formulas can be found in the “How Much Funding is Available” section starting on page 3 below).

To simplify the process for potential grantees, OJT and OEDIT are combining efforts and using a common application form. Applicants will only need to submit one application. OJT and OEDIT will then review each application jointly to determine if it meets the eligibility criteria. If it does, OJT and OEDIT will then work with the applicant to determine the best combination of funding to support the project (more information on this process can be found in the “How to Apply” section starting on page 5 below).

The application opens on January 20, 2023, and it will remain open for at least a year (unless the funds are all granted before that). Applications will be accepted and reviewed on a rolling basis.

How Can the Grants Be Used?

The eligible uses of these grants are based on legislative guidance, as authorized in C.R.S. § 8-83-504 and further outlined in the [Colorado Just Transition Action Plan](#), as well as OEDIT’s Strategic Fund, as created in C.R.S. § 24-46-105. These eligible uses are:

- **Expand capacity to coordinate local or regional economic development and workforce development programs**, including building local staff capacity, developing local long-term transition strategies, and taking advantage of early implementation opportunities.
- **Support targeted economic development efforts that are expected to create jobs that provide incomes at or above the median income of the community, generate new or increased property tax payments, and/or increase the economic diversity of your local economy.** This can include items such as site selection, business development activities, and incentives programming associated with business attraction efforts.
- **Provide start-up or expansion and retention assistance for new or existing local businesses**, consistent with each community’s transition strategy. This can include technical assistance, capacity building, business programming, business grant programs, and related activities.
- **Incentivize new private financial investment that is expected to create jobs that provide incomes at or above the median income of the community, generate new or increased**

- **property tax payments, and/or increase the economic diversity of your local economy.** This can include business incentive packages, technical assistance, business grant programs, marketing, and other investment attraction activities.
- **Support site selection activities that are expected to result in new jobs that provide incomes at or above the median income of the community, generate new or increased property tax payments, and/or increase the economic diversity of your local economy.** This can include hiring a site selector, site selection marketing activities, potential business park development, and related activities.
- **Provide technical assistance for any of these allowed uses.**

Grants may *NOT* be used to:

- Build infrastructure that is not otherwise explicitly and directly related to an allowed use.**
- Pay lost property taxes or directly fund activities that were previously supported by lost property taxes.**
- Support activities that are not directly or indirectly expected or intended to create jobs that provide incomes at or above the median income of the community, generate new or increased property tax payments, and/or increase the economic diversity of your local economy**

OJT and OEDIT are using several different funds to support this grant program, and no single fund can support *all* of these uses. **Before submitting your application, please consult with OJT and OEDIT staff to determine whether funding is still available for the specific use you are requesting.**

Who Can Apply?

By law, only Coal Transition Communities and “eligible entities” may receive this funding.

Tier One Coal Transition Communities are:

- **Morgan County**
- **Pueblo County**
- **The West End of Montrose County** (includes the Town of Norwood in San Miguel County)
- **The Yampa Valley** (Moffat, Rio Blanco, and Routt counties).

Tier Two Coal Transition Communities are:

- Delta and Gunnison counties
- El Paso County
- La Plata County
- Larimer County

“Eligible entities” (as defined at CRS § 8-83-502 (5)) are:

- Economic development districts

- Counties, municipalities, or other political subdivisions of the State (including public K12 schools and special districts)
- Indian tribes
- Registered apprenticeship programs
- Institutions of higher education
- Public or private nonprofit organizations or associations.

To be eligible to apply for and receive funding, an **“eligible entity” must either be physically located in or serve one or more Tier One or Tier Two coal transition communities.**

Regardless of who applies, **applications for projects in a Tier One community must show support from at least 60 percent of the “designated jurisdictions” in that community.** Specifically:

- Applications for **Morgan County** must show support from **at least three** of the following four jurisdictions – Morgan County and the municipalities of Brush, Ft. Morgan, and Wiggins.
- Applications for **Pueblo** must show support from **both** Pueblo County and the City of Pueblo.
- Applications for the **West End** must show support from **at least three** of the following four jurisdictions – Montrose County and the towns of Naturita, Norwood, and Nucla.
- Applications for the **Yampa Valley** must show support from **at least six** of the following nine jurisdictions – Moffat, Rio Blanco, and Routt counties and the municipalities of Craig, Hayden, Meeker, Oak Creek, Rangely, and Yampa.

How Much Funding is Available?

As with the first round of community grants from the Office of Just Transition, OJT and OEDIT have determined specific amounts of funding for applicants in each of the transition communities, hereafter referred to as “earmarks.” **An earmark for a community does not guarantee funding for any particular proposal from that community.**

These earmarks are allocated through two buckets – a “formula bucket” and an “equity bucket.” The **“formula bucket”** is earmarked to communities based on the formula OJT used for its first round of grants. Specifically, these earmarks are based on the number of coal transition facilities in each community and whether those facilities have already closed (resulting in a greater urgency for funds) – or are projected to close in the future. You can find more information on this formula under the heading *“Tier One transition communities receive specific earmarks based on a formula”* on page 5 of [OJT’s funding guidance document](#) for the first round of grants. Please note that, while the formula will be the same for this round, the dollar amounts listed in that previous document do not apply to this round of funding.

The **“equity bucket”** is earmarked only for entities in or serving Moffat County and the West End of Montrose County. These earmarks are intended to help address inequities in the level of “community assistance” that have been committed by the different utilities operating power plants that pay property taxes in Tier One communities. Specifically, the levels of utility-provided community assistance for Moffat County and for the West End of Montrose County are expected to be significantly lower than those already legally committed to the other Tier One Transition communities. OJT and OEDIT have committed almost \$3.5 million (a little over a third of the total funding) to this bucket – and of that \$3.5 million, two-thirds is earmarked for entities in or serving Moffat County and one-third is earmarked for entities in or serving the West End, reflecting the relative impacts of closures in the two communities.

Eligibility and Allocation Amounts

This table indicates who is eligible to apply and the funding amounts (combined total from both OJT and OEDIT) earmarked to each community based on the criteria and formulas outlined above.

| If you are: | You can apply for: | |
|---|--------------------|--------------------|
| | Formula Bucket | Equity Bucket |
| In the Yampa Valley (Rio Blanco, Routt, and Moffat Counties): | \$2,821,538 | \$2,331,000 |
| Moffat County | ✓ | ✓ |
| A municipality or other political subdivision within Moffat County | ✓ | ✓ |
| An economic development district, Indian tribe, apprenticeship program, institution of higher education, or nonprofit serving Moffat County | ✓ | ✓ |
| Rio Blanco County | ✓ | |
| Routt County | ✓ | |
| A municipality or other political subdivision within Rio Blanco County or Routt County | ✓ | |
| An economic development district, Indian tribe, apprenticeship program, institution of higher education, or nonprofit serving Rio Blanco or Routt county. | ✓ | |
| In the West End of Montrose County: | \$1,892,692 | \$1,165,500 |
| Montrose County | ✓ | ✓ |
| A municipality or other political subdivision within or serving the West End of Montrose County | ✓ | ✓ |
| An economic development district, Indian tribe, apprenticeship program, institution of higher education, or nonprofit serving the West End | ✓ | ✓ |
| The Town of Norwood | ✓ | |
| In Pueblo County: | \$471,423 | \$0 |
| Pueblo County | ✓ | |
| The City of Pueblo or other municipality or political subdivision within Pueblo County | ✓ | |
| An economic development district, Indian tribe, apprenticeship program, institution of higher education, or nonprofit serving Pueblo County | ✓ | |
| In Morgan County: | \$471,423 | \$0 |
| Morgan County | ✓ | |
| A municipality or other political subdivision within Morgan County | ✓ | |
| An economic development district, Indian tribe, apprenticeship program, institution of higher education, or nonprofit serving Morgan County | ✓ | |
| In a Tier Two Just Transition Community: | \$471,423 | \$0 |
| Delta, El Paso, Gunnison, La Plata, or Larimer counties | ✓ | |
| A municipality or other political subdivision within Delta, El Paso, Gunnison, La Plata, or Larimer county | ✓ | |
| An economic development district, Indian tribe, apprenticeship program, institution of higher education, or nonprofit serving Delta, El Paso, Gunnison, La Plata, or Larimer county | ✓ | |

How to Apply

OJT and OEDIT look forward to partnering with transition communities and other eligible applicants through the development and implementation of long-term transition strategies, as well as through this funding opportunity. Below are the next steps for eligible entities that are ready to apply.

STEP 1: Request a meeting with OJT and OEDIT staff prior to applying. Meeting requests should be sent to OJT Community and Economic Development Manager Kirstie McPherson at kirstie.mcpherson@state.co.us.

STEP 2: Secure support for your request from 60 percent or more of the “designated jurisdictions” in the transition community your project is intended to serve (these jurisdictions are listed on page 3 above). This does *not* apply to applicants for Tier Two community funding.

OJT and OEDIT will not consider applications that have not completed these first two steps.

STEP 3: Apply for funding by going to and filling out the appropriate application form:

- [Funding request form](#)

Because this is not a competitive grant process for Tier One communities and is intended to provide all communities flexibility in accessing state support, we will accept applications whenever eligible entities are prepared to complete them.

- If you are a Tier One community, be prepared to list all 60% of the designated jurisdictions in your area that support your grant application (you can find the list of jurisdictions for your area on page 3 above).
- **Answer all questions completely, and upload any additional information requested. Do not submit incomplete applications.** The application form requests:
 - A description of the proposal or project;
 - A budget and deliverables for the proposal or project;
 - How the proposal or project fits within any applicable transition plan; and
 - Information on the anticipated impacts of the proposal or project, including jobs created, property tax generated, economic development-related benefits, and any other impacts to the general welfare of the community.

The application form includes additional questions for applicants that wish to use all or part of the funds to incentivize a business to locate or expand in a transition community.

STEP 4: Respond promptly to any follow up requests from OJT and OEDIT. We will not make a funding decision or start the contracting process until all outstanding questions are answered.

Tips for Success and Other Information

Before you apply:

- **Carefully review the eligible uses of funding** (pages 1-2 of this guidance). These reflect the guidance we have in statute, and we have very little flexibility beyond these listed uses.
- **Take advantage of any flexibility in the funding to maximize its effectiveness** (for example, using it as matching funds or gap funding that can't be found elsewhere), keeping in mind this process is for both OEDIT and OJT Funding.

- **Have your project deliverables and project budget complete and ready to submit with the application form.** If you do not have them when you apply, it is likely to slow the approval and contracting processes considerably.
- OJT and OEDIT are committed to streamlining the process for successful applicants. You can help by **agreeing on one entity to serve as the fiscal agent for the entire community where appropriate.** While not required, this might be very helpful to both the application process and subsequent implementation.
- **If you have any questions or are uncertain about anything in your application, PLEASE ASK before you submit.**

After you apply:

- Once a complete application has been submitted, members of the OJT and OEDIT teams will request additional meeting(s) with the applicant to discuss the proposal. They may also reach out to other state agencies for input when appropriate.
- While OJT and OEDIT will seek to expedite the review process, the **approval of applications and completion of contracts may take up to four months from the time of submission.** Distribution of funding will be based on the provisions of each contract and will not begin until after the contract is formally executed. **We cannot reimburse for any expenses incurred before the contract is formally executed.**
- Reporting and other performance requirements, which will vary depending on the type of proposal and the amount of funding provided, will be discussed in meetings with OJT and OEDIT and outlined in the final grant agreement.

Contact Kirstie McPherson, Community and Economic Development Manager at the Colorado Office of Just Transition (kirstie.mcperson@state.co.us; 720-417-6520) or Leslie Hylton-Hinga, Special Projects Director, Office of Economic Development & International Trade (leslie.hylton-hinga@state.co.us; 720-320-2395) with any questions or to seek clarification.