CHAPTER 225

## LABOR AND INDUSTRY

HOUSE BILL 15-1276

Merrifield, Newell, Todd,

BY REPRESENTATIVE(S) Pabon and Williams, Wilson, Arndt, Buckner, Conti, Esgar, Fields, Garnett, Kraft-Tharp, Lawrence, Lebsock, Lontine, Melton, Mitsch Bush, Navarro, Priola, Rosenthal, Roupe, Salazar, Tate, Tyler, Windholz, Young, Duran, Ginal, Hamner, Kagan, Lee, McCann, Pettersen, Ryden, Vigil, Winter, Hullinghorst, Moreno; also SENATOR(S) Cooke and Heath, Cadman, Scheffel, Holbert, Aguilar, Carroll, Johnston, Kefalas, Kerr, Martinez Humenik,

# AN ACT

CONCERNING THE CREATION OF A MATCHING GRANT PROGRAM TO FACILITATE RECRUITMENT FOR SKILLED WORKER TRAINING PROGRAMS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

**SECTION 1.** In Colorado Revised Statutes, **add** part 3 to article 83 of title 8 as follows:

### PART 3 SKILLED WORKER OUTREACH, RECRUITMENT, AND KEY TRAINING

**8-83-301.** Short title. This part 3 shall be known and may be cited as the "Skilled Worker Outreach, Recruitment, and Key Training Act" or the "WORK Act".

**8-83-302.** Legislative declaration. (1) The General Assembly Hereby Finds AND DECLARES THAT:

(a) The state is facing a serious shortage of skilled workers to fill openings in various industries in the state, and it is predicted that the skilled work force shortage will continue;

(b) MANY GOVERNMENT AND NONGOVERNMENT ENTITIES AND ORGANIZATIONS OFFER SKILLED TRAINING PROGRAMS THROUGHOUT THE STATE TO TRAIN

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

INDIVIDUALS IN VARIOUS SKILL SETS NEEDED IN THE WORK FORCE;

(c) While skilled workers are needed and training programs are available, many Coloradans are not aware of the availability of these programs and the potential for entry into a new career;

(d) According to the department, more than one hundred thirty thousand Coloradans are unemployed, and more than forty thousand Coloradans have been unemployed for at least twenty-six weeks, based on the United States department of labor's current population survey;

(c) COLORADO HAS A REPUTATION FOR MEETING ITS WORK FORCE NEEDS, IN PART, BY IMPORTING A LARGE SHARE OF HIGHLY EDUCATED WORKERS FROM OUTSIDE THE STATE;

(f) The state must ensure that the education and training pipelines within Colorado are adequately preparing youth and adults for the work force and are aligned with the needs of the economy;

(g) It is important to actively seek out and recruit individuals throughout the state to encourage them to enroll in and complete a skilled worker training program, thereby enabling participating individuals to gain access to openings in skilled industries in Colorado; and

(h) FURTHER, IT IS IMPORTANT TO COORDINATE SKILLED WORKER TRAINING AND EDUCATION PROGRAMS THROUGHOUT THE STATE AND COLORADO'S KEY INDUSTRIES, AS IDENTIFIED IN THE CURRENT ECONOMIC DEVELOPMENT BLUEPRINT PRODUCED BY THE OFFICE OF ECONOMIC DEVELOPMENT AND THE ANNUAL COLORADO TALENT REPORT. THE COORDINATION SHOULD INCLUDE:

(I) IDENTIFYING CURRENT, FUTURE, AND CRITICAL WORK FORCE NEEDS;

(II) Partnering with industry associations and businesses to assess and determine their work force needs; and

(III) COORDINATING WITH SKILLED WORKER TRAINING PROVIDERS ON SKILL SETS BEING DEVELOPED AND THE QUALITY OF APPLICANTS BEING TRAINED.

**8-83-303.** Definitions. As used in this part 3 unless the context otherwise requires:

(1) "ANNUAL COLORADO TALENT REPORT" MEANS THE ANNUAL REPORT PREPARED PURSUANT TO SECTION 24-46.3-103 (3), C.R.S.

(2) "Apprenticeship program" means a Colorado-based apprenticeship training program that is registered with the United States department of labor's office of apprenticeship.

(3) "Department" means the department of labor and employment created in section 24-1-121, C.R.S.

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(4) "ELIGIBLE APPLICANT" MEANS ANY GOVERNMENT OR NONGOVERNMENT ENTITY OR ORGANIZATION THAT OFFERS OR PLANS TO OFFER A SKILLED WORKER TRAINING PROGRAM AND THAT HAS PARTNERED WITH INDUSTRY TO OFFER OR FUND A SKILLED WORKER TRAINING PROGRAM.

(5) "FUND" OR "WORK FUND" MEANS THE SKILLED WORKER OUTREACH, RECRUITMENT, AND KEY TRAINING GRANT PROGRAM FUND CREATED IN SECTION 8-83-307.

(6) "GRANT PROGRAM" OR "WORK GRANT PROGRAM" MEANS THE SKILLED WORKER OUTREACH, RECRUITMENT, AND KEY TRAINING GRANT PROGRAM ESTABLISHED IN SECTION 8-83-304.

(7) "GRANT REVIEW COMMITTEE" OR "WORK GRANT REVIEW COMMITTEE" MEANS THE SKILLED WORKER OUTREACH, RECRUITMENT, AND KEY TRAINING GRANT REVIEW COMMITTEE CREATED IN SECTION 8-83-305.

(8) "INDUSTRY" MEANS EITHER ONE OR MORE INDIVIDUAL EMPLOYERS OR AN INDUSTRY ASSOCIATION.

(9) "Office of economic development" or "office" means the office of economic development, created in section 24-48.5-101, C.R.S.

(10) (a) "Skilled worker training program" means an accredited educational, occupational education, as defined in section 23-60-103 (2), C.R.S., apprenticeship, or similar training program that:

(I) Trains or retrains individuals to perform a skill that is needed in the work force; and

(II) AWARDS AN INDUSTRY- OR STATE-RECOGNIZED CERTIFICATE, CREDENTIAL, ASSOCIATE DEGREE, PROFESSIONAL LICENSE, OR SIMILAR EVIDENCE OF ACHIEVEMENT UPON COMPLETION OF THE PROGRAM.

(b) "Skilled worker training program" does not include an educational program that awards a bachelor's or higher degree upon completion of the program.

**8-83-304.** Skilled worker outreach, recruitment, and key training grant program - creation - award criteria. (1) (a) (I) There is established in the DEPARTMENT THE SKILLED WORKER OUTREACH, RECRUITMENT, AND KEY TRAINING GRANT PROGRAM, ALSO REFERRED TO AS THE "WORK GRANT PROGRAM". THE PURPOSE OF THE WORK GRANT PROGRAM IS TO INCREASE THE STATE'S SKILLED WORK FORCE BY AWARDING MATCHING GRANTS TO ELIGIBLE APPLICANTS TO:

(A) ENGAGE IN OUTREACH AND RECRUITING EFFORTS TO INCREASE ENROLLMENT IN AND COMPLETION OF SKILLED WORKER TRAINING PROGRAMS AND, BY PARTNERING WITH BUSINESS AND INDUSTRY, TO DETERMINE CURRENT, FUTURE, AND CRITICAL WORK FORCE NEEDS;

(B) PROVIDE SKILLED WORKER TRAINING; OR

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(C) BOTH ENGAGE IN OUTREACH AND RECRUITING AND PROVIDE SKILLED WORKER TRAINING.

(II) ELIGIBLE APPLICANTS AWARDED MATCHING GRANTS SHALL NOT USE THE GRANT MONEY FOR TUITION SUBSIDIES OR TO REDUCE TUITION FOR A SKILLED WORKER TRAINING PROGRAM.

(b) (I) For the 2015-16 through 2017-18 fiscal years, the department shall administer the grant program by accepting and processing matching grant applications submitted pursuant to this section, and the grant review committee shall review and make recommendations for awarding matching grants. The department shall develop application guidelines and establish deadlines for the grant program.

(II) To assist with implementation of the grant program, the department shall assess current and future work force needs and coordinate skilled worker training and education programs throughout the state and Colorado's key industries, as identified in the current economic development blueprint produced by the office of economic development and the annual Colorado talent report. The coordination must include:

(A) IDENTIFYING CURRENT, FUTURE, AND CRITICAL WORK FORCE NEEDS;

(B) PARTNERING WITH INDUSTRY ASSOCIATIONS AND BUSINESSES TO ASSESS AND DETERMINE THEIR WORK FORCE NEEDS; AND

(C) COORDINATING WITH SKILLED WORKER TRAINING PROGRAM PROVIDERS ON SKILL SETS BEING DEVELOPED AND THE QUALITY OF APPLICANTS BEING TRAINED.

(c) A MATCHING GRANT AWARDED UNDER THE WORK GRANT PROGRAM MAY EXTEND PAST ONE YEAR.

(2) No later than January 1, 2016, and no later than each January 1 thereafter, the department shall start accepting grant applications for matching grants to be awarded pursuant to section 8-83-305 no later than the April 1 following the application submittal deadline.

(3) (a) An eligible applicant may apply for a matching grant from the grant program based on the guidelines and deadlines established by the department pursuant to paragraph (b) of subsection (1) of this section.

(b) To be considered for a matching grant, an eligible applicant with an existing skilled worker training program shall include, at a minimum, the following information in its application, if relevant to the purposes for which the matching grant is sought:

(I) A description of how the matching grant will be used to recruit participants to and provide outreach for its skilled worker training program;

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(II) A DESCRIPTION OF THE SKILLED WORKER TRAINING PROGRAM IT OFFERS, INCLUDING THE NUMBER OF YEARS IT HAS BEEN IN OPERATION, THE LOCATION OF THE PROGRAM, AND THE PARTICULAR SKILLS TAUGHT;

(III) PAST, CURRENT, AND PROJECTED ENROLLMENT IN THE SKILLED WORKER TRAINING PROGRAM AND ESTIMATED INCREASES IN ENROLLMENT ANTICIPATED IF THE ELIGIBLE APPLICANT IS AWARDED A MATCHING GRANT;

(IV) A COMPARISON OF THE NUMBER OF PARTICIPANTS WHO ENROLL IN ITS SKILLED WORKER TRAINING PROGRAM AND THE NUMBER OF PARTICIPANTS WHO COMPLETE THE PROGRAM OVER A FIVE-YEAR PERIOD, IF AVAILABLE;

(V) SPECIFIC INDUSTRY NEEDS OR GAPS IN THE WORK FORCE THAT THE SKILLED WORKER TRAINING PROGRAM ADDRESSES;

(VI) DEMONSTRATION OF PARTNERSHIPS WITH INDUSTRY MEMBERS, INCLUDING THOSE WHERE PROGRAM PARTICIPANTS HAVE THE OPPORTUNITY TO EARN INCOME OR CREDIT HOURS;

(VII) COSTS TO OPERATE THE SKILLED WORKER TRAINING PROGRAM;

(VIII) EXISTING RESOURCES THAT THE ELIGIBLE APPLICANT HAS INVESTED IN RECRUITING, OUTREACH, AND FUNDING OF ITS SKILLED WORKER TRAINING PROGRAM AND RESOURCES THE ELIGIBLE APPLICANT WILL COMMIT IN MATCHING DOLLARS IF A GRANT IS AWARDED; AND

(IX) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.

(c) To be considered for a matching grant, an eligible applicant that is planning to offer a skilled worker training program shall include, at a minimum, the following information in its application, if relevant to the purposes for which the grant is sought:

(I) A description of how the matching grant will be used to recruit participants to and provide an outreach plan for its proposed skilled worker training program;

(II) A DESCRIPTION OF THE SKILLED WORKER TRAINING PROGRAM IT PLANS TO OFFER, INCLUDING THE LOCATION OF THE PROGRAM AND THE PARTICULAR SKILLS TO BE TAUGHT;

(III) PROJECTED ENROLLMENT IN THE SKILLED WORKER TRAINING PROGRAM;

(IV) SPECIFIC INDUSTRY NEEDS OR GAPS IN THE WORK FORCE THAT THE PLANNED SKILLED WORKER TRAINING PROGRAM WILL ADDRESS;

(V) A DESCRIPTION OF INTENDED PARTNERSHIPS WITH INDUSTRY MEMBERS, INCLUDING THOSE WHERE PROGRAM PARTICIPANTS WILL HAVE THE OPPORTUNITY TO EARN INCOME OR CREDIT HOURS;

(VI) ANTICIPATED COSTS TO OPERATE THE SKILLED WORKER TRAINING PROGRAM;

(VII) RESOURCES THAT THE ELIGIBLE APPLICANT WILL COMMIT IN MATCHING DOLLARS IF A GRANT IS AWARDED; AND

(VIII) ANY OTHER INFORMATION THE DEPARTMENT REQUIRES.

(4) UPON RECEIPT OF AN APPLICATION THAT SATISFIES THE REQUIREMENTS OF SUBSECTION (3) OF THIS SECTION, THE DEPARTMENT SHALL SEND THE APPLICATION TO THE GRANT REVIEW COMMITTEE FOR ITS CONSIDERATION IN ACCORDANCE WITH SECTION 8-83-305.

(5) The department shall disburse all of the moneys in the fund that are approved for a matching grant pursuant to section 8-83-305 to the eligible applicants selected in accordance with said section.

**8-83-305.** Skilled worker outreach, recruitment, and key training grant review committee - creation - membership - duties - grant award recommendations. (1) THERE IS CREATED THE SKILLED WORKER OUTREACH, RECRUITMENT, AND KEY TRAINING GRANT REVIEW COMMITTEE, ALSO REFERRED TO AS THE "WORK GRANT REVIEW COMMITTEE". THE GRANT REVIEW COMMITTEE CONSISTS OF THIRTEEN MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

(a) A REPRESENTATIVE FROM THE DEPARTMENT, WHO SHALL CHAIR THE GRANT REVIEW COMMITTEE;

(b) A REPRESENTATIVE FROM THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT;

(c) A REPRESENTATIVE FROM THE DEPARTMENT OF HIGHER EDUCATION, CREATED IN SECTION 24-1-114, C.R.S.;

(d) Two members from business, trade, or professional organizations in the state that represent industries with specific work force needs as identified in the annual Colorado talent report;

(e) Two members from labor organizations that represent industries with specific work force needs as identified in the annual Colorado talent report;

(f) TWO REPRESENTATIVES FROM APPRENTICESHIP PROGRAMS;

(g) Two members from institutions of higher education that offer state-accredited career and technical education;

(h) ONE MEMBER WHO REPRESENTS A SUBCONTRACTORS' TRADE ASSOCIATION; AND

(i) One member of the state work force development council created in section 24-46.3-101, C.R.S.

(2)(a) The grant review committee shall establish criteria for ranking eligible applicants for matching grant awards. Among the criteria, the

GRANT REVIEW COMMITTEE SHALL CONSIDER AND RANK ELIGIBLE APPLICANTS BASED ON WHICH ELIGIBLE APPLICANTS HAVE:

(I) The highest potential to:

(A) Reach a broad audience through their recruitment and outreach efforts;

(B) Significantly increase enrollment in and completion of their skilled worker training program; and

 $\left( C\right) \ Fill existing needs for skilled workers in the market; and$ 

(II) Partnered with industry to provide training programs targeted at training and providing skilled workers who can perform jobs in that industry and demonstrated positive outcomes.

(b) In developing criteria under paragraph (a) of this subsection (2), the grant review committee shall give priority to eligible applicants that:

(I) Will provide outreach, recruitment, or training in areas that are listed as key industries or key industry jobs in the annual Colorado talent report; and

(II) Have demonstrated the following, prioritized in the following order:

(A) That the eligible applicant will provide monetary contributions from its own resources;

(B) That the eligible applicant has contributed its own resources in the form of monetary or in-kind matching contributions;

(C) That the eligible applicant has secured an industry partner; or

(D) That the eligible applicant has secured from an industry partner a monetary or in-kind contribution or conditional job placement guarantees or that the industry partner has contributed other meaningful investment in skilled worker training programs.

(c) After reviewing the grant applications, the grant review committee shall make recommendations about which eligible applicants should be awarded matching grants and the amounts of the matching grants, which recommendations shall be based on the committee's determination as to which eligible applicants best satisfy the grant criteria pursuant to paragraphs (a) and (b) of this subsection (2). The grant review committee shall submit its recommendations to the executive directors of the departments of labor and employment and higher education and the director of the office. After considering the grant review committee's recommendations, the executive director shall jointly determine to whom and in what amounts to award matching grants.

Grants shall be awarded no later than the April 1 following the application submittal deadline.

**8-83-306. Reports.** (1) Each eligible applicant that receives a matching grant pursuant to this part 3 shall submit a report or, if the matching grant extends over more than one year, an annual report to the grant review committee on the measurable outcomes achieved. The grant recipient shall include in the report at least the following measurable outcomes, if relevant to the purposes for which the matching grant was awarded:

(a) The manner in which the grant recipient has used the grant moneys to provide outreach and recruit participants in its skilled worker training program;

(b) The number of participants enrolled in the skilled worker training program, both before the matching grant was awarded and since the matching grant was received;

(c) THE NUMBER OF PARTICIPANTS WHO COMPLETED THE SKILLED WORKER TRAINING PROGRAM, BOTH BEFORE THE MATCHING GRANT WAS AWARDED AND SINCE THE MATCHING GRANT WAS RECEIVED;

(d) The number of skilled worker training participants who obtained EMPLOYMENT IN AN INDUSTRY FOR WHICH THE PARTICIPANT WAS TRAINED UNDER THE PROGRAM, INCLUDING INFORMATION ABOUT THE INDUSTRY IN WHICH THE PARTICIPANTS ARE EMPLOYED;

(e) The number of participants recruited; and

(f) Any other information the grant review committee determines appropriate related to measurable outcomes achieved by the grant recipient.

(2) By May 1, 2017, and by each May 1 thereafter through May 1, 2019, the grant review committee shall submit an annual report to the governor, the senate committee on business, labor, and technology or its successor committee, and the house of representatives committee on business affairs and labor or its successor committee. The grant review committee shall include in the report at least the following information:

(a) THE NUMBER OF MATCHING GRANTS AWARDED IN THE PRIOR YEAR, INCLUDING THE AMOUNT, RECIPIENT, AND DURATION OF EACH GRANT;

(b) The number of individuals who enrolled in and completed a skilled worker training program offered by each grant recipient;

(c) The number of individuals who obtained employment in a position that uses the skills for which they were trained through a skilled worker training program offered by a grant recipient; and (d) Other information obtained from grant recipients pursuant to subsection (1) of this section.

**8-83-307.** Skilled worker outreach, recruitment, and key training grant program fund - creation. (1) (a) There is created in the state treasury the skilled worker outreach, recruitment, and key training grant program fund, also referred to as the "WORK fund", which consists of:

(I) ANY MONEYS THAT MAY BE APPROPRIATED TO THE FUND BY THE GENERAL ASSEMBLY;

(II) Any federal funds or grants for which the WORK grant program is eligible; and

(III) ANY GIFTS, GRANTS, OR DONATIONS THE DEPARTMENT MAY RECEIVE FOR THE WORK GRANT PROGRAM.

(b) The moneys in the fund are subject to annual appropriation by the general assembly to the department for the direct and indirect costs associated with implementing this part 3.

(c) The state treasurer may invest any moneys in the WORK fund not expended for the purpose of this part 3 as provided by Law. The state treasurer shall credit all interest and income derived from the investment and deposit of moneys in the fund to the fund.

(2) The department may accept and expend gifts, grants, and donations for the purposes of this part 3, but the implementation of this part 3 is not dependent on the receipt of gifts, grants, and donations. The department shall transmit all moneys received through gifts, grants, or donations to the state treasurer, who shall credit them to the fund.

(3) For the 2015-16, 2016-17, and 2017-18 fiscal years, the general assembly shall appropriate a total of ten million dollars to the fund, of which not more than three million five hundred thousand dollars may be expended in any given fiscal year.

(4) The department may expend up to five percent of the moneys annually appropriated from the fund to offset the costs incurred in implementing this part 3.

(5) ANY UNEXPENDED AND UNENCUMBERED MONEYS REMAINING IN THE WORK FUND AT THE END OF A FISCAL YEAR REMAIN IN THE FUND AND SHALL NOT BE CREDITED OR TRANSFERRED TO THE GENERAL FUND OR ANOTHER FUND.

SECTION 2. In Colorado Revised Statutes, 8-83-103, amend (2) as follows:

**8-83-103.** Powers, duties, and functions - acceptance of moneys. (2) The division may accept and expend moneys from INTERGOVERNMENTAL PARTNERSHIPS, gifts, grants, donations, and other nongovernmental contributions for the purposes for which the division is authorized.

**SECTION 3.** Appropriation. (1) For the 2015-16 state fiscal year, \$3,300,000 is appropriated to the skilled worker outreach, recruitment, and key training grant program fund created in section 8-83-307 (1) (a), C.R.S. This appropriation is from the general fund. The department of labor and employment is responsible for the accounting related to this appropriation.

(2) For the 2015-16 state fiscal year, \$3,300,000 is appropriated to the department of labor and employment for use by the division of employment and training. This appropriation is from reappropriated funds in the skilled worker outreach, recruitment, and key training grant program fund under subsection (1) of this section. To implement this act, the division may use the appropriation as follows:

(a) \$102,690 for personal services, which amount is based on an assumption that the division will require an additional 2.0 FTE;

(b) \$17,806 for operating expenses; and

(c) \$3,179,504 for grant awards.

**SECTION 4. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 26, 2015