

CHAPTER 226

LABOR AND INDUSTRY

HOUSE BILL 15-1230

BY REPRESENTATIVE(S) Lee and Foote, Becker K., Buckner, Duran, Esgar, Fields, Ginal, Hamner, Melton, Pettersen, Rosenthal, Ryden, Salazar, Singer, Tyler, Williams, Winter, Young;
also SENATOR(S) Heath and Cooke, Aguilar, Carroll, Crowder, Kefalas, Kerr, Martinez Humenik, Merrifield, Newell, Scheffel, Todd, Cadman.

AN ACT

CONCERNING THE CREATION OF THE INNOVATIVE INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM, 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** 24-46.3-105 as follows:

24-46.3-105. Innovative industries workforce development program - legislative declaration - definitions - appropriation - repeal. (1) (a) **THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:**

(I) **INNOVATIVE INDUSTRIES HAVE HIGH PROJECTED GROWTH RATES AND ARE A CRITICAL COMPONENT OF THE STATE'S ECONOMIC DEVELOPMENT AND JOB CREATION;**

(II) **FINDING QUALIFIED EMPLOYEES CAN BE A CHALLENGE FOR INNOVATIVE-INDUSTRY BUSINESSES;**

(III) **MANY TWENTY-FIRST-CENTURY JOBS IN THE INNOVATIVE INDUSTRIES REQUIRE FORMALIZED POSTSECONDARY TRAINING OR EDUCATION;**

(IV) **STUDENTS IN COLORADO HIGH SCHOOLS AND COLLEGES COULD BENEFIT FROM EXPOSURE TO CAREER EMPLOYMENT OPPORTUNITIES IN THE INNOVATIVE INDUSTRIES;**

(V) **INTERNSHIPS ARE A RECOGNIZED WAY TO BUILD A TALENT PIPELINE AND CAREER PATHWAY TO ALIGN EDUCATION, TRAINING, AND WORK-BASED LEARNING;**

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

(VI) INTERNSHIPS CREATE OPPORTUNITIES FOR BUSINESSES TO FIND, TRAIN, AND EVALUATE POTENTIAL LONG-TERM EMPLOYEES AND FOR STUDENTS TO GET REAL-WORLD WORK EXPERIENCE WHILE EXPLORING CAREER OPTIONS;

(VII) INTERNSHIPS CREATE OPPORTUNITIES FOR HISTORICALLY UNDERREPRESENTED COMMUNITIES TO PARTICIPATE IN INNOVATIVE INDUSTRIES AND THEREBY FULLY CONTRIBUTE TO ONE OF COLORADO'S FASTEST GROWING ECONOMIC SECTORS;

(VIII) BY OFFERING INCENTIVES TO BUSINESSES TO CREATE INTERNSHIPS, THE STATE WILL ENCOURAGE BUSINESSES TO CREATE MORE OPPORTUNITIES FOR STUDENTS TO OBTAIN WORK EXPERIENCE IN THE INNOVATIVE INDUSTRIES.

(b) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO CREATE A NEW PROGRAM TO PARTIALLY REIMBURSE COMPANIES THAT OFFER HIGH-LEVEL INTERNSHIPS IN THE INNOVATIVE INDUSTRIES.

(2) AS USED IN THIS SECTION:

(a) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND EMPLOYMENT.

(b) "DIVISION" MEANS THE DIVISION OF EMPLOYMENT AND TRAINING IN THE DEPARTMENT, CREATED IN SECTION 8-83-102, C.R.S.

(c) "INNOVATIVE INDUSTRY" MEANS ADVANCED MANUFACTURING, AEROSPACE, BIOSCIENCE, CONSTRUCTION, ELECTRONICS, ENERGY AND NATURAL RESOURCES, ENGINEERING, AND INFORMATION TECHNOLOGY INDUSTRIES, AND ANY OTHER INNOVATIVE INDUSTRY AS DETERMINED BY THE DEPARTMENT.

(d) "INTERMEDIARY" MEANS AN ASSOCIATION THAT REPRESENTS AN INNOVATIVE-INDUSTRY SECTOR THAT HAS ENTERED INTO AN AGREEMENT WITH THE STATE COUNCIL UNDER SUBPARAGRAPH (II) OF PARAGRAPH (c) OF SUBSECTION (3) OF THIS SECTION.

(e) "PROGRAM" MEANS THE INNOVATIVE INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM CREATED IN SUBSECTION (3) OF THIS SECTION.

(f) "QUALIFYING INTERNSHIP" MEANS AN INTERNSHIP THAT MEETS THE REQUIREMENTS UNDER SUBSECTION (4) OF THIS SECTION.

(g) "STATE COUNCIL" MEANS THE STATE WORK FORCE DEVELOPMENT COUNCIL ESTABLISHED IN SECTION 24-46.3-101.

(3) (a) THE INNOVATIVE INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM IS CREATED IN THE DEPARTMENT FOR THE PURPOSE OF PROVIDING REIMBURSEMENT FOR QUALIFYING INTERNSHIPS. THE PROGRAM IS JOINTLY ADMINISTERED BY THE STATE COUNCIL AND THE DIVISION, WITH THE STATE COUNCIL PROVIDING OVERSIGHT AND STRATEGIC ADMINISTRATION AND THE DIVISION PROVIDING OPERATIONAL ADMINISTRATION.

(b) (I) BEGINNING OCTOBER 1, 2015, THE DIVISION MAY REIMBURSE A BUSINESS

FOR UP TO ONE-HALF OF ITS EXPENSES RELATED TO A QUALIFYING INTERNSHIP, SUBJECT TO AVAILABLE APPROPRIATIONS. AT LEAST EIGHTY PERCENT OF THE BUSINESSES RECEIVING REIMBURSEMENT MONEYS MUST HAVE LESS THAN ONE HUNDRED EMPLOYEES. A BUSINESS MAY BE REIMBURSED FOR UP TO FIVE INTERNS PER LOCATION AND UP TO TEN INTERNS TOTAL AT ALL LOCATIONS, BUT THE MAXIMUM AMOUNT THAT A BUSINESS MAY BE REIMBURSED FOR EACH INTERNSHIP IS FIVE THOUSAND DOLLARS. AT LEAST HALF OF THE REIMBURSEMENT AMOUNT MUST BE PAID TO THE INTERN. TO BE REIMBURSED, A BUSINESS MUST RECEIVE APPROVAL FOR THE REIMBURSEMENT FROM THE DIVISION PRIOR TO THE START OF THE QUALIFYING INTERNSHIP. THE DIVISION SHALL PAY THE BUSINESS AT LEAST THE PREAPPROVED AMOUNT FOR A QUALIFYING INTERNSHIP BUT MAY NOT MAKE THE PAYMENT UNTIL AFTER THE INTERNSHIP HAS BEEN COMPLETED. THE STATE COUNCIL SHALL:

(A) PROVIDE TECHNICAL ASSISTANCE TO THE DIVISION AND INTEGRATE THE PROGRAM WITH EXISTING WORKFORCE DEVELOPMENT, SECONDARY EDUCATION, POSTSECONDARY EDUCATION, AND ECONOMIC DEVELOPMENT INFRASTRUCTURE AND RESOURCES, INCLUDING PRODUCING LINKS TO AND FROM THE STATE COUNCIL'S AND DIVISION'S WEB SITES; AND

(B) ESTABLISH A PARTNERSHIP WITH SECONDARY AND POSTSECONDARY EDUCATIONAL INSTITUTIONS, INCLUDING COMMUNITY COLLEGES, AND WORKFORCE CENTERS TO MARKET THE PROGRAM TO INTERESTED STUDENTS AND ASSIST WITH IDENTIFICATION OF STUDENTS AND VERIFICATION OF APPROPRIATE COURSE WORK.

(II) THE STATE COUNCIL MAY ENTER INTO AN AGREEMENT WITH ONE OR MORE INTERMEDIARIES TO FACILITATE OUTREACH TO EMPLOYERS, MARKET THE PROGRAM, DEVELOP THE INTERN CURRICULUM, AND IDENTIFY WORK EXPERIENCE OPPORTUNITIES IN THEIR RESPECTIVE INNOVATIVE INDUSTRIES. THE STATE COUNCIL MAY PROVIDE FOR EACH INTERMEDIARY TO BE PAID UP TO TEN THOUSAND DOLLARS FOR ITS SERVICES. THE STATE COUNCIL MAY NOT USE MORE THAN ONE INTERMEDIARY FOR EACH INNOVATIVE-INDUSTRY SECTOR. THE DIVISION SHALL PAY AN INTERMEDIARY FOR ITS SERVICES, AS DIRECTED BY THE STATE COUNCIL.

(III) THE DIVISION SHALL DEVELOP A PROGRAM SCHEDULE FOR THE INITIAL AND FINAL APPLICATION PROCESSES AND REIMBURSEMENT. THE DIVISION SHALL CREATE AN INITIAL APPLICATION FORM FOR REIMBURSEMENT THAT INCLUDES THE FOLLOWING INFORMATION ABOUT THE INTERNSHIP:

- (A) NAMES OF THE BUSINESS AND INTERN;
- (B) LOCATION;
- (C) NUMBER OF EMPLOYEES;
- (D) FOCUS AREA;
- (E) DESCRIPTION OF THE INTERNSHIP CURRICULUM;
- (F) DURATION;

(G) INFORMATION IDENTIFYING THAT IT IS A QUALIFYING INTERNSHIP;

(H) THE AMOUNT THE INTERN WILL BE PAID; AND

(I) THE TOTAL OF ALL OTHER EXPENSES RELATED TO THE INTERNSHIP FOR WHICH THE BUSINESS SEEKS REIMBURSEMENT.

(IV) THE DIVISION SHALL CREATE A FINAL APPLICATION FORM IN WHICH A BUSINESS MAY IDENTIFY ANY NEW OR CHANGED INFORMATION FROM THE INITIAL APPLICATION FORM. BASED ON THE COMBINATION OF THE FORMS RECEIVED, THE DIVISION SHALL DETERMINE WHETHER THE INTERNSHIP IS A QUALIFYING INTERNSHIP. IF ACCEPTED INTO THE PROGRAM, THE BUSINESS MAY BE REQUIRED TO PAY A FEE OF UP TO SEVEN HUNDRED FIFTY DOLLARS.

(V) THE DIVISION SHALL:

(A) IDENTIFY QUALIFYING INTERNSHIPS;

(B) MATCH INTERNS WITH BUSINESSES;

(C) PROVIDE ASSESSMENTS OF THE PROGRAM TO THE STATE COUNCIL; AND

(D) TO THE EXTENT POSSIBLE, IDENTIFY JOB PLACEMENTS FOR THE INTERNS.

(4) (a) TO QUALIFY FOR REIMBURSEMENT, AN INTERNSHIP MUST:

(I) BE IN AN INNOVATIVE INDUSTRY;

(II) BE FOR AT LEAST ONE HUNDRED THIRTY HOURS AND LAST UP TO SIX MONTHS;

(III) ALLOW STUDENTS TO GAIN VALUABLE WORK EXPERIENCE IN AT LEAST TWO OF THE FOLLOWING OCCUPATIONAL AREAS:

(A) COMPUTER SYSTEMS, INCLUDING SOFTWARE DEVELOPMENT AND INFORMATION TECHNOLOGY SUPPORT;

(B) PRODUCTION, INCLUDING FABRICATION, ASSEMBLY, AND QUALITY ASSURANCE;

(C) ENGINEERING;

(D) BUSINESS AND FINANCIAL OPERATIONS, INCLUDING SUPPLY CHAIN MANAGEMENT;

(E) CUSTOMER SERVICE, SALES, AND MARKETING, INCLUDING PROPOSAL DEVELOPMENT;

(F) RESEARCH, PRECLINICAL, CLINICAL, AND COMMERCIAL DEVELOPMENT;

(G) INSTALLATION, MAINTENANCE, AND REPAIR OF MACHINERY AND EQUIPMENT;

(H) EXECUTIVE MANAGEMENT AND BUSINESS STRATEGY; AND

(I) A SKILLED TRADE;

(IV) PAY THE INTERN AT LEAST TEN DOLLARS PER HOUR;

(V) PROVIDE A MENTOR OR SUPERVISOR THAT WILL WORK CLOSELY WITH THE INTERN;

(VI) NOT BE FOR THE PURPOSE OF MEETING REQUIRED RESIDENCY OR CLINICAL HOURS FOR THE INTERN;

(VII) BE WITH A BUSINESS THAT IS ELIGIBLE UNDER PARAGRAPH (b) OF THIS SUBSECTION (4);

(VIII) BE FOR A STUDENT WHO IS ELIGIBLE UNDER PARAGRAPH (c) OF THIS SUBSECTION (4); AND

(IX) ALONG WITH ALL OTHER INTERNSHIPS, CONSTITUTE LESS THAN FIFTY PERCENT OF THE BUSINESS'S WORKFORCE LOCATED IN THE STATE.

(b) TO BE ELIGIBLE FOR REIMBURSEMENT, A BUSINESS MUST BE IN AN INNOVATIVE INDUSTRY AND HAVE A PHYSICAL OPERATION FACILITY IN THE STATE. THE BUSINESS MAY BE A FOR-PROFIT OR NONPROFIT ORGANIZATION BUT MAY NOT BE A GOVERNMENTAL ENTITY OR AN INSTITUTION OF HIGHER EDUCATION. AN ELIGIBLE BUSINESS IS RESPONSIBLE FOR WORKERS' COMPENSATION COVERAGE ASSOCIATED WITH AN INTERNSHIP, AND SUCH COVERAGE MAY BE REIMBURSED UNDER THE PROGRAM.

(c) TO BE ELIGIBLE TO PARTICIPATE IN AN INTERNSHIP IN THE PROGRAM, A PERSON MUST BE:

(I) (A) ENROLLED FULL-TIME IN A SECONDARY SCHOOL;

(B) ENROLLED IN AN ADULT BASIC EDUCATION PROGRAM OR A HIGH SCHOOL EQUIVALENCY PROGRAM; OR

(C) ENROLLED FULL-TIME IN A STATE, PUBLIC, OR PRIVATE NONPROFIT INSTITUTION OF HIGHER EDUCATION AND PURSUING A CERTIFICATE, ASSOCIATE DEGREE, OR BACHELOR'S DEGREE;

(II) A RESIDENT OF THE STATE WHO IS ENROLLED AS A FULL-TIME UNDERGRADUATE AT AN INSTITUTION OF HIGHER EDUCATION OUTSIDE OF THE STATE; OR

(III) A GRADUATE FROM A SCHOOL OR INSTITUTION LISTED IN SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH (c), IF THE INTERNSHIP BEGINS WITHIN SIX MONTHS AFTER GRADUATION.

(d) TO BE ELIGIBLE TO PARTICIPATE IN AN INTERNSHIP IN THE PROGRAM, A PERSON MUST NOT:

(I) BE A CURRENT OR PAST EMPLOYEE OF A PARTICIPATING BUSINESS OR A RELATIVE OF AN OWNER OR OPERATOR OF A PARTICIPATING BUSINESS; OR

(II) DISPLACE A CURRENT EMPLOYEE OF THE BUSINESS.

(e) (I) IF THERE ARE MORE BUSINESSES SEEKING PREAPPROVAL THAN CAN BE REIMBURSED, THE STATE COUNCIL, IN COLLABORATION WITH THE INTERMEDIARIES, SHALL DETERMINE WHO THE DIVISION SHALL PREAPPROVE. IN MAKING THIS DETERMINATION, THE STATE COUNCIL SHALL GIVE PREFERENCE TO A BUSINESS THAT HAS AN INTERN WHO IS:

(A) IN A CAREER AND TECHNICAL EDUCATION PROGRAM;

(B) PURSUING AN INDUSTRY-ENDORSED LICENSE, REGISTRATION, OR CERTIFICATION;

(C) ENROLLED IN TECHNOLOGY-, MANUFACTURING-, OR ENGINEERING-RELATED ASSOCIATES OF APPLIED SCIENCE DEGREE PROGRAMS;

(D) PURSUING A DEGREE IN THE CATEGORIES OF SCIENCE, TECHNOLOGY, ENGINEERING, OR MATHEMATICS;

(E) GAINING VALUABLE WORK EXPERIENCE IN MORE THAN TWO OCCUPATIONAL AREAS; OR

(F) EARNING COLLEGE CREDIT FOR THE INTERNSHIP.

(II) THE STATE COUNCIL SHALL DEVELOP A PRIORITY FOR APPLYING THE REIMBURSEMENT PREFERENCES.

(5) ON OR BEFORE NOVEMBER 1, 2016, AND NOVEMBER 1 OF THE NEXT TWO YEARS THEREAFTER, THE STATE COUNCIL SHALL SUBMIT A REPORT TO THE FINANCE AND THE BUSINESS AFFAIRS AND LABOR COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND TO THE BUSINESS, LABOR, AND TECHNOLOGY AND THE FINANCE COMMITTEES OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, SUMMARIZING PROGRAM ACTIVITIES DURING THE PRECEDING FISCAL YEAR, INCLUDING THE INFORMATION IN SUBPARAGRAPH (III) OF PARAGRAPH (b) OF SUBSECTION (3) OF THIS SECTION, THE NUMBER OF COMPANIES AND INTERNS WHO PARTICIPATED, THE OCCUPATIONAL AREAS THE INTERNS PARTICIPATED IN, THE NUMBER OF INTERNS WHO OBTAINED RELATED EMPLOYMENT, AND ANY INFORMATION IDENTIFIED BY THE DIVISION FROM THIS SUBSECTION (5). THE DIVISION SHALL ASSIST THE STATE COUNCIL IN COMPLETING THE ANNUAL REPORT.

(6) FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2015, THE GENERAL ASSEMBLY SHALL APPROPRIATE FOUR HUNDRED FIFTY THOUSAND DOLLARS FROM THE GENERAL FUND TO THE DIVISION TO BE USED FOR PROGRAM REIMBURSEMENTS. FOR THE NEXT TWO YEARS THEREAFTER, THE GENERAL ASSEMBLY MAY APPROPRIATE MONEYS FROM THE GENERAL FUND TO THE DIVISION TO BE USED FOR PROGRAM REIMBURSEMENTS. IN ADDITION, THE GENERAL ASSEMBLY SHALL ANNUALLY APPROPRIATE MONEYS FROM THE GENERAL FUND TO THE DEPARTMENT FOR ITS EXPENSES ADMINISTERING THE PROGRAM, INCLUDING ANY PAYMENTS TO

INTERMEDIARIES. ANY UNEXPENDED AND UNENCUMBERED MONEYS FROM AN APPROPRIATION MADE PURSUANT TO THIS SUBSECTION (6) REMAIN AVAILABLE FOR EXPENDITURE BY THE DEPARTMENT IN THE NEXT FISCAL YEAR WITHOUT FURTHER APPROPRIATION.

(7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2020.

SECTION 2. In Colorado Revised Statutes, 8-83-103, **add** (3) as follows:

8-83-103. Powers, duties, and functions - acceptance of moneys - repeal.

(3) (a) THE DIVISION SHALL ADMINISTER THE INNOVATIVE INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM AS REQUIRED BY SECTION 24-46.3-105, C.R.S.

(b) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE JULY 1, 2020.

SECTION 3. Appropriation. For the 2015-16 state fiscal year, \$582,698 is appropriated to the department of labor and employment for use by the division of employment and training. This appropriation is from the general fund and is based on an assumption that the division will require an additional 1.0 FTE. To implement this act, the division may use this appropriation for the innovative industry workforce development program.

SECTION 4. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 26, 2015