

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 15-0493.01 Kristen Forrestal x4217

HOUSE BILL 15-1230

HOUSE SPONSORSHIP

Lee and Foote,

SENATE SPONSORSHIP

Heath and Cooke,

House Committees
Business Affairs and Labor
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE INNOVATIVE INDUSTRIES**
102 **WORKFORCE DEVELOPMENT PROGRAM, AND, IN CONNECTION**
103 **THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates the innovative industries workforce development program in the department of labor and employment (department) to be jointly administered by the state work force development council (state council) and the division of employment and training (division). The state council will provide oversight and strategic administration and the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
April 15, 2015

division will provide operational administration. The purpose of the program is to reimburse a business for one-half of its expenses related to a qualifying internship. A qualifying internship is one that:

- ! Is in an innovative industry;
- ! Is for at least 130 hours and lasts up to 6 months;
- ! Allows students to gain valuable work experience in at least 2 specified occupational areas;
- ! Pays the intern at least \$10 per hour;
- ! Provides a mentor or supervisor that will work closely with the intern;
- ! Is not for the purpose of meeting required residency or clinical hours for the intern;
- ! Is with an innovative-industry business that has a physical operation facility in the state;
- ! Is for a high school or college student, a resident who is a student at an out-of-state college, or a recent graduate of either; and
- ! Along with all other internships, constitutes less than 50% of the business's workforce located in the state.

A business may be reimbursed for up to 5 interns per location and up to 10 at all locations, but the maximum amount that a business may be reimbursed for each internship is \$5,000. At least one-half of the reimbursement amount must be paid to the intern. A business is required to receive preapproval from the division prior to or during the internship. The state council may enter into an agreement with one or more intermediaries, which are innovative-industry associations, to facilitate outreach to employers, market the program, and identify work experience opportunities.

The division is required to solicit information about internships that were reimbursed through the program, and the state council is required to submit a report to legislative committees about the program.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-46.3-104 as
3 follows:

4 **24-46.3-104. Innovative industries workforce development**
5 **program - legislative declaration - definitions - appropriation -**

6 **repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

7 (I) INNOVATIVE INDUSTRIES HAVE HIGH PROJECTED GROWTH

1 RATES AND ARE A CRITICAL COMPONENT OF THE STATE'S ECONOMIC
2 DEVELOPMENT AND JOB CREATION;

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

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

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

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

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

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

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

26 (b) IT IS THE INTENT OF THE GENERAL ASSEMBLY TO CREATE A NEW
27 PROGRAM TO PARTIALLY REIMBURSE COMPANIES THAT OFFER HIGH-LEVEL

1 INTERNSHIPS IN THE INNOVATIVE INDUSTRIES.

2 (2) AS USED IN THIS SECTION:

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

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

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

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

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

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

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

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

1 ADMINISTRATION.

2 (b) (I) BEGINNING OCTOBER 1, 2015, THE DIVISION MAY
3 REIMBURSE A BUSINESS FOR UP TO ONE-HALF OF ITS EXPENSES RELATED TO
4 A QUALIFYING INTERNSHIP, SUBJECT TO AVAILABLE APPROPRIATIONS. AT
5 LEAST EIGHTY PERCENT OF THE BUSINESSES RECEIVING REIMBURSEMENT
6 MONEYS MUST HAVE LESS THAN ONE HUNDRED EMPLOYEES. A BUSINESS
7 MAY BE REIMBURSED FOR UP TO FIVE INTERNS PER LOCATION AND UP TO
8 TEN INTERNS TOTAL AT ALL LOCATIONS, BUT THE MAXIMUM AMOUNT
9 THAT A BUSINESS MAY BE REIMBURSED FOR EACH INTERNSHIP IS FIVE
10 THOUSAND DOLLARS. AT LEAST HALF OF THE REIMBURSEMENT AMOUNT
11 MUST BE PAID TO THE INTERN. TO BE REIMBURSED, A BUSINESS MUST
12 RECEIVE APPROVAL FOR THE REIMBURSEMENT FROM THE DIVISION PRIOR
13 TO THE START OF THE QUALIFYING INTERNSHIP. THE DIVISION SHALL PAY
14 THE BUSINESS AT LEAST THE PREAPPROVED AMOUNT FOR A QUALIFYING
15 INTERNSHIP BUT MAY NOT MAKE THE PAYMENT UNTIL AFTER THE
16 INTERNSHIP HAS BEEN COMPLETED. THE STATE COUNCIL SHALL:

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

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

27 (II) THE STATE COUNCIL MAY ENTER INTO AN AGREEMENT WITH

1 ONE OR MORE INTERMEDIARIES TO FACILITATE OUTREACH TO EMPLOYERS,
2 MARKET THE PROGRAM, DEVELOP THE INTERN CURRICULUM, AND IDENTIFY
3 WORK EXPERIENCE OPPORTUNITIES IN THEIR RESPECTIVE INNOVATIVE
4 INDUSTRIES. THE STATE COUNCIL MAY PROVIDE FOR EACH INTERMEDIARY
5 TO BE PAID UP TO TEN THOUSAND DOLLARS FOR ITS SERVICES. THE STATE
6 COUNCIL MAY NOT USE MORE THAN ONE INTERMEDIARY FOR EACH
7 INNOVATIVE-INDUSTRY SECTOR. THE DIVISION SHALL PAY AN
8 INTERMEDIARY FOR ITS SERVICES, AS DIRECTED BY THE STATE COUNCIL.

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

- 14 (A) NAMES OF THE BUSINESS AND INTERN;
- 15 (B) LOCATION;
- 16 (C) NUMBER OF EMPLOYEES;
- 17 (D) FOCUS AREA;
- 18 (E) DESCRIPTION OF THE INTERNSHIP CURRICULUM;
- 19 (F) DURATION;
- 20 (G) INFORMATION IDENTIFYING THAT IT IS A QUALIFYING
21 INTERNSHIP;
- 22 (H) THE AMOUNT THE INTERN WILL BE PAID; AND
- 23 (I) THE TOTAL OF ALL OTHER EXPENSES RELATED TO THE
24 INTERNSHIP FOR WHICH THE BUSINESS SEEKS REIMBURSEMENT.

25 (IV) THE DIVISION SHALL CREATE A FINAL APPLICATION FORM IN
26 WHICH A BUSINESS MAY IDENTIFY ANY NEW OR CHANGED INFORMATION
27 FROM THE INITIAL APPLICATION FORM. BASED ON THE COMBINATION OF

1 THE FORMS RECEIVED, THE DIVISION SHALL DETERMINE WHETHER THE
2 INTERNSHIP IS A QUALIFYING INTERNSHIP. IF ACCEPTED INTO THE
3 PROGRAM, THE BUSINESS MAY BE REQUIRED TO PAY A FEE OF UP TO SEVEN
4 HUNDRED FIFTY DOLLARS.

5 (V) THE DIVISION SHALL:

6 (A) IDENTIFY QUALIFYING INTERNSHIPS;

7 (B) MATCH INTERNS WITH BUSINESSES;

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

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

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

13 (I) BE IN AN INNOVATIVE INDUSTRY;

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

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

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

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

22 (C) ENGINEERING;

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

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

27 (F) RESEARCH, PRECLINICAL, CLINICAL, AND COMMERCIAL

1 DEVELOPMENT;

2 (G) INSTALLATION, MAINTENANCE, AND REPAIR OF MACHINERY

3 AND EQUIPMENT;

4 (H) EXECUTIVE MANAGEMENT AND BUSINESS STRATEGY; AND

5 (I) A SKILLED TRADE;

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

7 (V) PROVIDE A MENTOR OR SUPERVISOR THAT WILL WORK

8 CLOSELY WITH THE INTERN;

9 (VI) NOT BE FOR THE PURPOSE OF MEETING REQUIRED RESIDENCY

10 OR CLINICAL HOURS FOR THE INTERN;

11 (VII) BE WITH A BUSINESS THAT IS ELIGIBLE UNDER PARAGRAPH

12 (b) OF THIS SUBSECTION (4);

13 (VIII) BE FOR A STUDENT WHO IS ELIGIBLE UNDER PARAGRAPH (c)

14 OF THIS SUBSECTION (4); AND

15 (IX) ALONG WITH ALL OTHER INTERNSHIPS, CONSTITUTE LESS

16 THAN FIFTY PERCENT OF THE BUSINESS'S WORKFORCE LOCATED IN THE

17 STATE.

18 (b) TO BE ELIGIBLE FOR REIMBURSEMENT, A BUSINESS MUST BE IN

19 AN INNOVATIVE INDUSTRY AND HAVE A PHYSICAL OPERATION FACILITY IN

20 THE STATE. THE BUSINESS MAY BE A FOR-PROFIT OR NONPROFIT

21 ORGANIZATION BUT MAY NOT BE A GOVERNMENTAL ENTITY OR AN

22 INSTITUTION OF HIGHER EDUCATION. AN ELIGIBLE BUSINESS IS

23 RESPONSIBLE FOR WORKERS' COMPENSATION COVERAGE ASSOCIATED WITH

24 AN INTERNSHIP, AND SUCH COVERAGE MAY BE REIMBURSED UNDER THE

25 PROGRAM.

26 (c) TO BE ELIGIBLE TO PARTICIPATE IN AN INTERNSHIP IN THE

27 PROGRAM, A PERSON MUST BE:

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

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

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

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

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

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

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

18 (II) DISPLACE A CURRENT EMPLOYEE OF THE BUSINESS.

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

24 (A) IN A CAREER AND TECHNICAL EDUCATION PROGRAM;

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

27 (C) ENROLLED IN TECHNOLOGY-, MANUFACTURING-, OR

1 ENGINEERING-RELATED ASSOCIATES OF APPLIED SCIENCE DEGREE
2 PROGRAMS;

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

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

7 (F) EARNING COLLEGE CREDIT FOR THE INTERNSHIP.

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

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

24 (6) FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2015, THE
25 GENERAL ASSEMBLY SHALL APPROPRIATE FOUR HUNDRED FIFTY
26 THOUSAND DOLLARS FROM THE GENERAL FUND TO THE DIVISION TO BE
27 USED FOR PROGRAM REIMBURSEMENTS. FOR THE NEXT TWO YEARS

1 THEREAFTER, THE GENERAL ASSEMBLY MAY APPROPRIATE MONEYS FROM
2 THE GENERAL FUND TO THE DIVISION TO BE USED FOR PROGRAM
3 REIMBURSEMENTS. IN ADDITION, THE GENERAL ASSEMBLY SHALL
4 ANNUALLY APPROPRIATE MONEYS FROM THE GENERAL FUND TO THE
5 DEPARTMENT FOR ITS EXPENSES ADMINISTERING THE PROGRAM,
6 INCLUDING ANY PAYMENTS TO INTERMEDIARIES. ANY UNEXPENDED AND
7 UNENCUMBERED MONEYS FROM AN APPROPRIATION MADE PURSUANT TO
8 THIS SUBSECTION (6) REMAIN AVAILABLE FOR EXPENDITURE BY THE
9 DEPARTMENT IN THE NEXT FISCAL YEAR WITHOUT FURTHER
10 APPROPRIATION.

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

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

14 **8-83-103. Powers, duties, and functions - acceptance of**
15 **moneys - repeal.** (3) (a) THE DIVISION SHALL ADMINISTER THE
16 INNOVATIVE INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM AS
17 REQUIRED BY SECTION 24-46.3-104, C.R.S.

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

19 **SECTION 3. Appropriation.** For the 2015-16 state fiscal year,
20 \$582,698 is appropriated to the department of labor and employment for
21 use by the division of employment and training. This appropriation is
22 from the general fund and is based on an assumption that the division will
23 require an additional 1.0 FTE. To implement this act, the division may
24 use this appropriation for the innovative industry workforce development
25 program.

26 **SECTION 4. Act subject to petition - effective date.** This act
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly (August
2 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a
3 referendum petition is filed pursuant to section 1 (3) of article V of the
4 state constitution against this act or an item, section, or part of this act
5 within such period, then the act, item, section, or part will not take effect
6 unless approved by the people at the general election to be held in
7 November 2016 and, in such case, will take effect on the date of the
8 official declaration of the vote thereon by the governor.