First Regular Session Seventieth General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

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

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102103

Senate Committees

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Concerni	NG TI	ΗE	CREATION	OF	THE	INNOV	ATIVE	INDUST	RIES
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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

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.

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:

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4 24-46.3-104. Innovative industries workforce development

5 program - legislative declaration - definitions - appropriation -

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

(I) INNOVATIVE INDUSTRIES HAVE HIGH PROJECTED GROWTH

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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

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(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

INTERNSHIPS IN THE INNOVATIVE INDUSTRIES.

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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:

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

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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

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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

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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	DDOCDAM A DEDSON MUST BE:

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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) ENDOLLED IN TECHNOLOGY, MANUEACTURING, OR

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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

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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

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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.

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