

**Second Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

ENGROSSED

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

LLS NO. 14-0593.02 Ed DeCecco x4216

HOUSE BILL 14-1013

HOUSE SPONSORSHIP

Lee and Foote,

SENATE SPONSORSHIP

Todd,

House Committees

Business, Labor, Economic, & Workforce Development

Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE ADVANCED INDUSTRIES**
102 **WORKFORCE DEVELOPMENT PROGRAM, AND, IN CONNECTION**
103 **THEREWITH, MAKING AND REDUCING APPROPRIATIONS.**

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 advanced industries workforce development program in the Colorado office of economic development (office). The purpose of the program is to allow the office to reimburse a business for one-half of its expenses related to a qualifying internship or

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 4, 2014

apprenticeship. A qualifying internship or apprenticeship is one that:

- ! Is in an advanced industry;
- ! Is for at least 160 hours and that lasts less than one year;
- ! Allows students to gain valuable work experience in at least 3 specified occupational areas;
- ! Pays the intern or apprentice a stipend;
- ! Provides a mentor or supervisor that will work closely with the intern or apprentice;
- ! Is not for the purpose of meeting required residency or clinical hours for the intern;
- ! Is with an advanced 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 grad of either; and
- ! Along with all other internships and apprenticeships, constitutes less than 50% of the business's workforce located in the state.

A business may be reimbursed for up to 5 interns and apprentices per location and up to 10 at all locations, but the maximum amount that a business may be reimbursed for each internship or apprenticeship is \$5,000, of which no more than \$2,500 may be for a stipend paid to the intern or apprentice. The office is required to contract with multiple intermediaries, which are advanced industry associations, to facilitate the program administration. The office may permit an intermediary to:

- ! Match an intern or apprentice with a business;
- ! Identify qualifying internships and apprenticeships;
- ! Submit reimbursement applications to the office;
- ! Provide assessments of the program to the office; and
- ! Identify job placement for the interns and apprentices.

For the next 3 fiscal years, the general assembly is required to annually appropriate \$450,000 from the general fund to the office for program reimbursements. The general assembly is also required to make a general fund appropriation to the office for program administration expenses.

The office is required to solicit information about apprenticeships and internships that were reimbursed through the program and 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** 24-46.3-103 as

3 follows:

1 **24-46.3-103. Advanced industries workforce development**

2 **program - legislative declaration - definitions - repeal.** (1) (a) THE

3 GENERAL ASSEMBLY FINDS AND DECLARES THAT:

4 (I) THE ADVANCED INDUSTRIES ARE A CRITICAL COMPONENT OF
5 THE STATE'S ECONOMY;

6 (II) FINDING QUALIFIED EMPLOYEES CAN BE A CHALLENGE FOR
7 ADVANCED INDUSTRY BUSINESSES;

8 (III) INTERNSHIPS ARE A WAY TO BUILD A PARTNERSHIP BETWEEN
9 SCHOOLS AND ADVANCED INDUSTRY BUSINESSES TO CREATE THE DYNAMIC
10 WORKFORCE THAT THESE BUSINESSES NEED; AND

11 (IV) BY PROVIDING AN INCENTIVE FOR BUSINESSES TO OFFER MORE
12 INTERNSHIPS, THE STATE WILL CREATE MORE OPPORTUNITIES FOR
13 STUDENTS TO PARTICIPATE IN THE ADVANCED INDUSTRIES.

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

17 (2) AS USED IN THIS SECTION:

18 (a) "ADVANCED INDUSTRY" HAS THE SAME MEANING AS SET FORTH
19 IN SECTION 24-48.5-117 (2) (a).

20 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF LABOR AND
21 EMPLOYMENT.

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

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

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

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

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

7 (3) (a) THE ADVANCED INDUSTRIES WORKFORCE DEVELOPMENT
8 PROGRAM IS CREATED IN THE DEPARTMENT FOR THE PURPOSE OF
9 PROVIDING REIMBURSEMENT FOR QUALIFYING INTERNSHIPS. THE
10 PROGRAM IS JOINTLY ADMINISTERED BY THE STATE COUNCIL AND THE
11 DIVISION, WITH THE STATE COUNCIL PROVIDING OVERSIGHT AND
12 STRATEGIC ADMINISTRATION AND THE DIVISION PROVIDING OPERATIONAL
13 ADMINISTRATION.

14 (b) (I) BEGINNING OCTOBER 1, 2014, THE DIVISION MAY
15 REIMBURSE A BUSINESS FOR UP TO ONE-HALF OF ITS EXPENSES RELATED TO
16 A QUALIFYING INTERNSHIP, SUBJECT TO AVAILABLE APPROPRIATIONS. A
17 BUSINESS MAY BE REIMBURSED FOR UP TO FIVE INTERNS PER LOCATION
18 AND UP TO TEN INTERNS TOTAL AT ALL LOCATIONS, BUT THE MAXIMUM
19 AMOUNT THAT A BUSINESS MAY BE REIMBURSED FOR EACH INTERNSHIP IS
20 FIVE THOUSAND DOLLARS, OF WHICH NO MORE THAN TWO THOUSAND FIVE
21 HUNDRED DOLLARS MAY BE FOR A STIPEND PAID TO THE INTERN. TO BE
22 REIMBURSED, A BUSINESS MUST RECEIVE PREAPPROVAL FOR THE
23 REIMBURSEMENT FROM THE DIVISION PRIOR TO OR DURING THE
24 QUALIFYING INTERNSHIP. THE DIVISION SHALL PAY THE BUSINESS AT
25 LEAST THE PREAPPROVED AMOUNT FOR A QUALIFYING INTERNSHIP, BUT
26 MAY NOT MAKE THE PAYMENT UNTIL AFTER THE INTERNSHIP HAS BEEN
27 COMPLETED. THE STATE COUNCIL SHALL:

1 (A) PROVIDE TECHNICAL ASSISTANCE TO THE DIVISION AND
2 INTEGRATE THE PROGRAM WITH EXISTING WORKFORCE DEVELOPMENT,
3 POST-SECONDARY EDUCATION, AND ECONOMIC DEVELOPMENT
4 INFRASTRUCTURE AND RESOURCES;

5 (B) DEVELOP A PROGRAM SCHEDULE FOR THE PREAPPROVAL AND
6 FINAL APPLICATION PROCESSES AND REIMBURSEMENT; AND

7 (C) ESTABLISH A PARTNERSHIP WITH SECONDARY AND
8 POST-SECONDARY EDUCATIONAL INSTITUTIONS TO MARKET THE PROGRAM
9 TO INTERESTED STUDENTS AND ASSIST WITH IDENTIFICATION OF STUDENTS
10 AND VERIFICATION OF APPROPRIATE COURSE WORK.

11 (II) THE DIVISION SHALL CREATE A PREAPPROVAL APPLICATION
12 FORM FOR REIMBURSEMENT THAT INCLUDES THE FOLLOWING
13 INFORMATION ABOUT THE INTERNSHIP:

14 (A) NAMES OF THE BUSINESS AND INTERN;

15 (B) LOCATION;

16 (C) FOCUS AREA;

17 (D) DURATION;

18 (E) INFORMATION IDENTIFYING THAT IT IS A QUALIFYING
19 INTERNSHIP;

20 (F) THE AMOUNT THE INTERN WILL BE PAID; AND

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

23 (III) THE DIVISION SHALL CREATE A FINAL APPLICATION FORM IN
24 WHICH A BUSINESS MAY IDENTIFY ANY NEW OR CHANGED INFORMATION
25 FROM THE PREAPPROVAL FORM. BASED ON THE COMBINATION OF THE
26 FORMS RECEIVED, THE DIVISION SHALL DETERMINE WHETHER THE
27 INTERNSHIP IS A QUALIFYING INTERNSHIP.

1 (IV) THE DIVISION SHALL:
2 (A) MATCH INTERNS WITH BUSINESSES;
3 (B) IDENTIFY QUALIFYING INTERNSHIPS;
4 (C) PROVIDE ASSESSMENTS OF THE PROGRAM TO THE STATE
5 COUNCIL; AND

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

8 (c) THE STATE COUNCIL MAY ENTER INTO AN AGREEMENT WITH
9 ONE OR MORE INTERMEDIARIES TO FACILITATE OUTREACH TO EMPLOYERS,
10 MARKET THE PROGRAM, AND IDENTIFY WORK EXPERIENCE OPPORTUNITIES
11 IN THEIR RESPECTIVE INDUSTRIES. THE STATE COUNCIL MAY PROVIDE FOR
12 AN INTERMEDIARY TO BE PAID FOR ITS SERVICES. THE STATE COUNCIL MAY
13 NOT USE MORE THAN ONE INTERMEDIARY FOR EACH ADVANCED INDUSTRY
14 SECTOR. THE DIVISION SHALL PAY AN INTERMEDIARY FOR ITS SERVICES, AS
15 DIRECTED BY THE STATE COUNCIL.

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

17 (I) BE IN AN ADVANCED INDUSTRY;
18 (II) BE FOR AT LEAST ONE HUNDRED SIXTY HOURS AND LAST LESS
19 THAN ONE YEAR;

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

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

24 (B) PRODUCTION, INCLUDING FABRICATION AND ASSEMBLY;

25 (C) ENGINEERING, INCLUDING PRODUCT DESIGN, TESTING, AND
26 DEVELOPMENT;

27 (D) BUSINESS AND FINANCIAL OPERATIONS, INCLUDING SUPPLY

1 CHAIN MANAGEMENT;

2 (E) CUSTOMER SERVICE, SALES, AND MARKETING, INCLUDING

3 PROPOSAL DEVELOPMENT;

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

5 DEVELOPMENT;

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

7 AND EQUIPMENT; AND

8 (H) EXECUTIVE MANAGEMENT AND BUSINESS STRATEGY;

9 (IV) PAY THE INTERN A STIPEND;

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

11 CLOSELY WITH THE INTERN;

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

13 OR CLINICAL HOURS FOR THE INTERN;

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

15 (b) OF THIS SUBSECTION (4);

16 (VIII) BE FOR A STUDENT WHO IS ELIGIBLE UNDER PARAGRAPH (C)

17 OF THIS SUBSECTION (4); AND

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

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

20 STATE.

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

22 AN ADVANCED INDUSTRY AND HAVE A PHYSICAL OPERATION FACILITY IN

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

24 ORGANIZATION, BUT MAY NOT BE A GOVERNMENTAL ENTITY OR AN

25 INSTITUTION OF HIGHER EDUCATION. AN ELIGIBLE BUSINESS IS

26 RESPONSIBLE FOR WORKERS' COMPENSATION COVERAGE ASSOCIATED WITH

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

1 PROGRAM.

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

4 (I) ENROLLED FULL-TIME IN A SECONDARY SCHOOL OR AS AN
5 UNDERGRADUATE AT AN INSTITUTION OF HIGHER EDUCATION IN THE
6 STATE;

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 SUB-SUBPARAGRAPHS (I) AND (II) OF THIS PARAGRAPH (c), IF THE
12 INTERNSHIP BEGINS WITHIN SIX MONTHS OF GRADUATION.

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

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

19 (B) PURSUING INDUSTRY-ENDORSED CERTIFICATES;

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

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

25 (E) GAINED VALUABLE WORK EXPERIENCE IN MORE THAN TWO
26 OCCUPATIONAL AREAS; OR

27 (F) EARNED COLLEGE CREDIT FOR THE INTERNSHIP.

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

3 (5) (a) AFTER THE COMPLETION OF A PROGRAM INTERNSHIP, THE
4 DIVISION SHALL SURVEY THE BUSINESS AND PARTICIPANT ABOUT THEIR
5 EXPERIENCE. TO THE EXTENT REASONABLE, THE DIVISION SHALL TAKE
6 STEPS TO IDENTIFY JOB PLACEMENT FOR THE INTERNS.

7 (b) ON OR BEFORE NOVEMBER 1, 2015, AND NOVEMBER 1 OF THE
8 NEXT TWO YEARS THEREAFTER, THE STATE COUNCIL SHALL SUBMIT A
9 REPORT TO THE FINANCE AND THE BUSINESS, LABOR, ECONOMIC, AND
10 WORKFORCE DEVELOPMENT COMMITTEES OF THE HOUSE OF
11 REPRESENTATIVES AND TO THE BUSINESS, LABOR, AND TECHNOLOGY AND
12 THE FINANCE COMMITTEES OF THE SENATE, OR ANY SUCCESSOR
13 COMMITTEES, SUMMARIZING PROGRAM ACTIVITIES DURING THE PRECEDING
14 FISCAL YEAR, INCLUDING ANY INFORMATION IDENTIFIED BY THE DIVISION
15 FROM PARAGRAPH (a) OF THIS SUBSECTION (5). THE DIVISION SHALL
16 ASSIST THE STATE COUNCIL IN COMPLETING THE ANNUAL REPORT.

17 (6) FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2014, THE
18 GENERAL ASSEMBLY SHALL APPROPRIATE FOUR HUNDRED FIFTY
19 THOUSAND DOLLARS FROM THE GENERAL FUND TO THE DIVISION TO BE
20 USED FOR PROGRAM REIMBURSEMENTS. FOR THE NEXT TWO YEARS
21 THEREAFTER, THE GENERAL ASSEMBLY MAY APPROPRIATE MONEYS FROM
22 THE GENERAL FUND TO THE DIVISION TO BE USED FOR PROGRAM
23 REIMBURSEMENTS. IN ADDITION, THE GENERAL ASSEMBLY SHALL
24 ANNUALLY APPROPRIATE MONEYS FROM THE GENERAL FUND TO THE
25 DEPARTMENT FOR ITS EXPENSES ADMINISTERING THE PROGRAM,
26 INCLUDING ANY PAYMENTS TO INTERMEDIARIES. ANY UNEXPENDED AND
27 UNENCUMBERED MONEYS FROM AN APPROPRIATION MADE PURSUANT TO

1 THIS SUBSECTION (6) REMAIN AVAILABLE FOR EXPENDITURE BY THE
2 DEPARTMENT IN THE NEXT FISCAL YEAR WITHOUT FURTHER
3 APPROPRIATION.

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

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

7 **8-83-103. Powers, duties, and functions - acceptance of**
8 **moneys - repeal.** (3) (a) THE DIVISION SHALL ADMINISTER THE
9 ADVANCED INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM AS
10 REQUIRED BY SECTION 24-46.3-103, C.R.S.

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

12 **SECTION 3. Appropriation - adjustments to 2014 long bill.**

13 (1) For the implementation of this act, the general fund appropriation
14 made in the annual general appropriation act to the governor - lieutenant
15 governor - state planning and budgeting, for economic development
16 programs, advanced industries, for the fiscal year beginning July 1, 2014,
17 is decreased by \$546,359.

18 (2) In addition to any other appropriation, for the fiscal year
19 beginning July 1, 2014, there is hereby appropriated, out of any moneys
20 in the general fund, not otherwise appropriated, to the department of labor
21 and employment, the sum of \$546,359 and 1.2 FTE, for allocation to the
22 division of employment and training to create and administer the
23 advanced industries workforce development program related to the
24 implementation of this act.

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