

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

PREAMENDED

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

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.**

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/bills summaries>.)

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 apprenticeship. A qualifying internship or apprenticeship is one that:

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.*

- ! 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:

4 **24-46.3-103. Advanced industries workforce development**

1 **program - legislative declaration - definitions - repeal.** (1) (a) THE
2 GENERAL ASSEMBLY FINDS AND DECLARES THAT:

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

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

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

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

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

16 (2) AS USED IN THIS SECTION:

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

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

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

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

27 (e) "PROGRAM" MEANS THE ADVANCED INDUSTRIES WORKFORCE

1 DEVELOPMENT PROGRAM CREATED IN SUBSECTION (3) OF THIS SECTION.

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

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

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

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

27 (A) PROVIDE TECHNICAL ASSISTANCE TO THE DIVISION AND

1 INTEGRATE THE PROGRAM WITH EXISTING WORKFORCE DEVELOPMENT,
2 POST-SECONDARY EDUCATION, AND ECONOMIC DEVELOPMENT
3 INFRASTRUCTURE AND RESOURCES;

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

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

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

13 (A) NAMES OF THE BUSINESS AND INTERN;

14 (B) LOCATION;

15 (C) FOCUS AREA;

16 (D) DURATION;

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

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

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

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

27 (IV) THE DIVISION SHALL:

- 1 (A) MATCH INTERNS WITH BUSINESSES;
- 2 (B) IDENTIFY QUALIFYING INTERNSHIPS;
- 3 (C) PROVIDE ASSESSMENTS OF THE PROGRAM TO THE STATE
- 4 COUNCIL; AND
- 5 (D) TO THE EXTENT POSSIBLE, IDENTIFY JOB PLACEMENTS FOR THE
- 6 INTERNS.
- 7 (c) THE STATE COUNCIL MAY ENTER INTO AN AGREEMENT WITH
- 8 ONE OR MORE INTERMEDIARIES TO FACILITATE OUTREACH TO EMPLOYERS,
- 9 MARKET THE PROGRAM, AND IDENTIFY WORK EXPERIENCE OPPORTUNITIES
- 10 IN THEIR RESPECTIVE INDUSTRIES. THE STATE COUNCIL MAY PROVIDE FOR
- 11 AN INTERMEDIARY TO BE PAID FOR ITS SERVICES. THE STATE COUNCIL MAY
- 12 NOT USE MORE THAN ONE INTERMEDIARY FOR EACH ADVANCED INDUSTRY
- 13 SECTOR. THE DIVISION SHALL PAY AN INTERMEDIARY FOR ITS SERVICES, AS
- 14 DIRECTED BY THE STATE COUNCIL.
- 15 (4) (a) TO QUALIFY FOR REIMBURSEMENT, AN INTERNSHIP MUST:
- 16 (I) BE IN AN ADVANCED INDUSTRY;
- 17 (II) BE FOR AT LEAST ONE HUNDRED SIXTY HOURS AND LAST LESS
- 18 THAN ONE YEAR;
- 19 (III) ALLOW STUDENTS TO GAIN VALUABLE WORK EXPERIENCE IN
- 20 AT LEAST TWO OF THE FOLLOWING OCCUPATIONAL AREAS:
- 21 (A) COMPUTER SYSTEMS, INCLUDING SOFTWARE DEVELOPMENT
- 22 AND INFORMATION TECHNOLOGY SUPPORT;
- 23 (B) PRODUCTION, INCLUDING FABRICATION AND ASSEMBLY;
- 24 (C) ENGINEERING, INCLUDING PRODUCT DESIGN, TESTING, AND
- 25 DEVELOPMENT;
- 26 (D) BUSINESS AND FINANCIAL OPERATIONS, INCLUDING SUPPLY
- 27 CHAIN MANAGEMENT;

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

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

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

7 (H) EXECUTIVE MANAGEMENT AND BUSINESS STRATEGY;

8 (IV) PAY THE INTERN A STIPEND;

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

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

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

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

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

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

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

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

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

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

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

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

18 (B) PURSUING INDUSTRY-ENDORSED CERTIFICATES;

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

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

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

26 (F) EARNED COLLEGE CREDIT FOR THE INTERNSHIP.

27 (II) THE STATE COUNCIL SHALL DEVELOP A PRIORITY FOR

1 APPLYING THE REIMBURSEMENT PREFERENCES.

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

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

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

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

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

27 **8-83-103. Powers, duties, and functions - acceptance of**

1 **moneys - repeal.** (3) (a) THE DIVISION SHALL ADMINISTER THE
2 ADVANCED INDUSTRIES WORKFORCE DEVELOPMENT PROGRAM AS
3 REQUIRED BY SECTION 24-46.3-103, C.R.S.

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

5 **SECTION 3. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety.