



Innovative Industries Internship Program Legislative Report HB 15-1230; Fiscal Year 2018-19



I. Background

The Innovative Industries Internship (III) program was approved by state legislators in 2015 and implemented the same year to meet the critical needs of our local economy in finding qualified talent for innovative industry-related businesses. Many 21st century jobs in innovative industries require formal post-secondary training or education and students in Colorado's high school and college systems could benefit from exposure to career employment through internship opportunities that create career pathways. Internships are a recognized way to support our local talent pipeline while aligning with education, work-based training, and work-based learning. The III program incentivizes employers to find, hire, and train interns by providing up to \$5,000 to help provide students with hands-on experience in one of the eight innovative industries.

This legislative report for House Bill 15-1230 highlights the performance and outcomes of the grant for the period Fiscal Year (FY) 2018-19 (Cycle 3). To put information and data in context, the III Program officially launched in late FY 15-16 and consequently did not have a full program cycle in that year. (Approximately one quarter was completed in that FY.) It was not until the following year, FY 16-17, that the program completed its first full program cycle (Cycle 1). Cycle 1 reporting includes the data from the one quarter in FY 15-16 on the accompanying tables.

The III Program grant supports our local talent pipeline by upskilling young talent with experiential learning through high-level internships. This grant is pivotal in supporting local small business start-ups, innovative business expansion, and Colorado's work-based learning continuum while preparing our next-generation workforce. Each program cycle, \$450,000 is appropriated to fund approximately 90 internships. The program incentivizes businesses by reimbursing up to \$5,000 per intern working in innovative work-based learning and training opportunities. The III program is intended to create a high-level internship in innovative industries to meet the demands of our massive and ever-changing world of innovation and start-up related industries.

The III Intermediaries consist of leading industry associations including Associated General Contractors, Colorado Advanced Manufacturing, Colorado Bioscience Association, Colorado Cleantech Industries Association, and Colorado Photonics Industry Association.



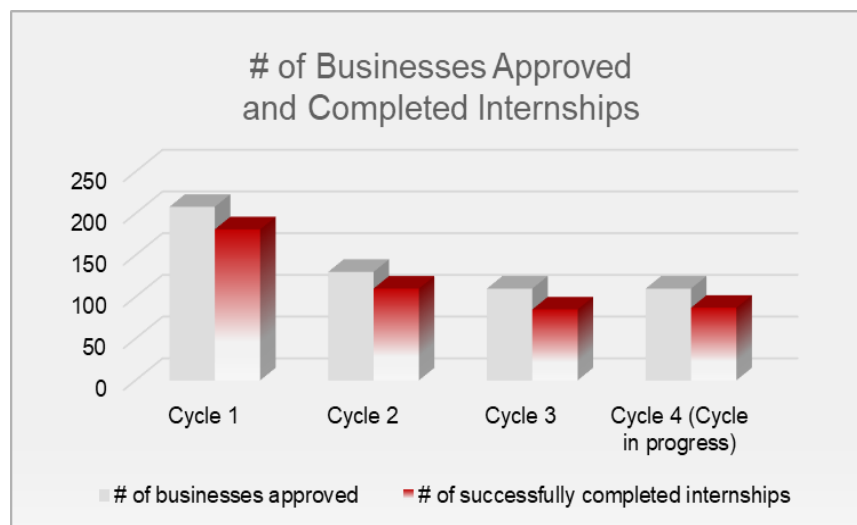
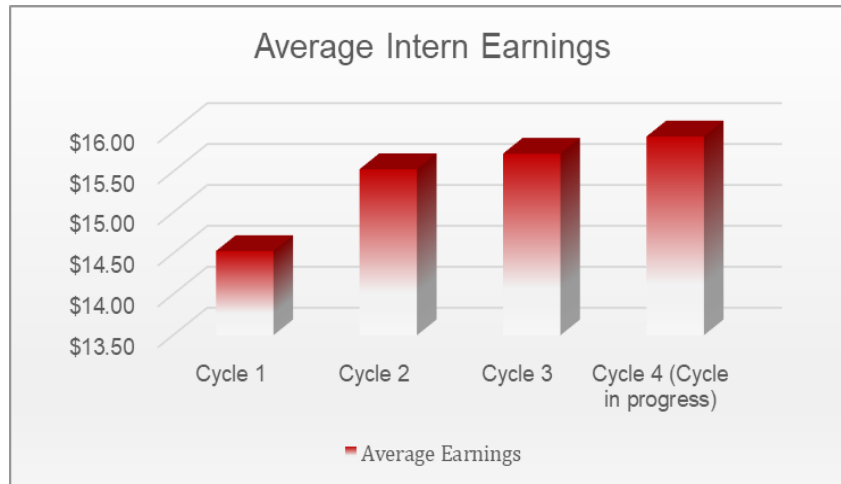
Over each cycle of the grant, the III Intermediaries have developed an industry internship curriculum, improved outreach to businesses in rural areas, and matched interns with businesses. The industry intermediaries support all eight innovative industries which include:

- Advanced Manufacturing
- Energy and Natural Resources
- Information Technology
- Aerospace
- Engineering
- Bioscience
- Construction
- Electronics

II. Summary of Activities

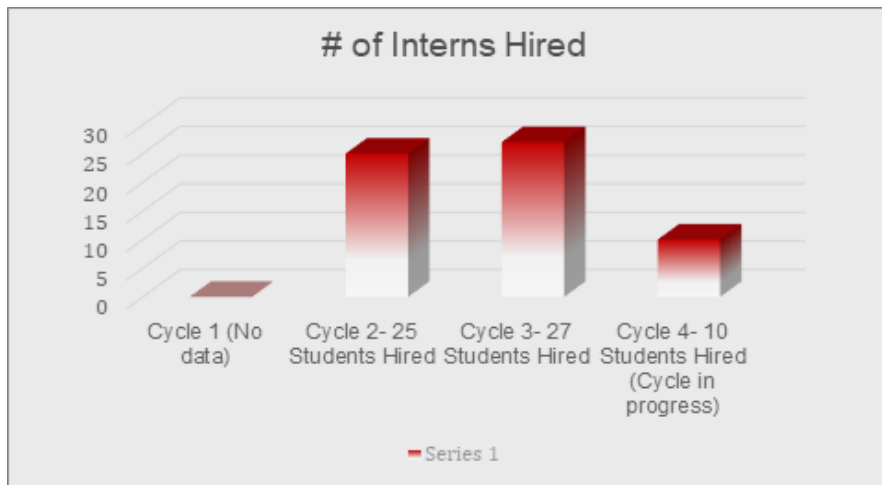
In this annual reporting period for Cycle 3, we began to see the impact of our work since the inception of the grant. For each cycle, the application process for businesses and interns becomes more competitive. There is always a higher demand for more intern slots than funding can support. During the last cycle, an anomaly presented itself where new participating businesses struggled to market their internship opportunities because many secondary and post-secondary schools are now moving towards using software such as Purple Briefcase and Handshake for career services systems. Both systems (and others like them) are jobs and internship databases where internships and careers are posted annually for students to access opportunities and connect nationwide. Due to the shift in new procedures, we made some adjustments to support the demand for businesses to upload their opportunities to these institutions with instructional support. Since identifying this barrier, we've incorporated resources to assist businesses in the following cycle(s).

- In FY 18-19, 110 businesses (overbooked to account for attrition) were approved with 85 successfully completed internships.
- Eighty-eight (88) businesses with under 100 employees and 22 large businesses with 100+ employees participated in the program.
- The average hourly internship wage during FY 18-19 was \$15.72, a continued increase from the previous cycles. Of the businesses that participated in the program, 17 represent the rural outlying areas and 93 are based in metropolitan areas.
 - During the third cycle and entering the fourth cycle respectively, the industry intermediaries implemented a more concentrated outreach to attract more participation from rural businesses. Results and trends worth noting, such as the increase in average hourly earnings, are shown below.



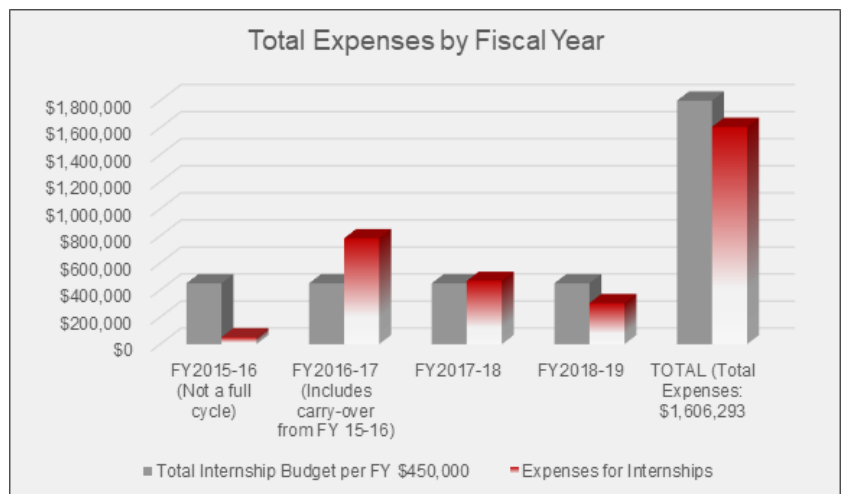
The number of approved internship spots is determined at the beginning of each new cycle based on available funding. In FY 18-19, industry demand continued to exceed the grant funding available. As a result, businesses in FY 18-19 again received initial approval for no more than one intern per business. Many businesses did request and received an additional intern as a result of another participating business releasing an unfilled position. While no data is collected that determines if an internship from the Innovative Industries could be alternatively funded outside of a program such as this one, many businesses reiterate that without the support of the III program, their internship opportunities would not be possible without funding support. Also, it is important to note this program supports career exploration and work-based learning while students are engaged in a full-time educational program. The program's success is measured in students getting the training experience necessary outside of the classroom to help close the skills gap. As a result, and as per the program guidelines, it is not mandated or expected for students to be hired during their full-time school obligations. However, over the course of the grant (including data from the current cycle 4), 62 students have been hired to date by participating businesses

as a result of successful internships. The program’s success is measured in students getting the training experience necessary outside of the classroom to help close the skills gap.



III. Program Performance, Demographics, and Highlights

In order to cast a wider net, operationally we’ve developed ways to better market the program as well as foster business engagement beyond internships to include potential apprenticeships and cross-agency connections. During FY 18-19 we included a check and balance system development process with deliverables and tasks for more efficient tracking and data gathering. This allows the coordinator to focus on meeting program deliverables while identifying new opportunities in sustainability and program capacity.



Over the course of each fiscal year, the amount of program participation and funding used to measure the program’s internship success is captured through data collection methods and expenditures as seen in the total expenses by fiscal year chart.

INNOVATIVE INDUSTRIES PROGRAM HIGHLIGHTS

	FY 16-17	FY17-18	FY 18-19	FY 19-20 (In progress)
# of internships <u>spots</u> approved	208 ¹	130 ²	110	110
# of businesses denied	25	53	38	51
# of interns approved	231 ³	110	86	87 (to date)
# of Veterans completed internships	14	4	0	N/A
Completed internships	181	110	83	N/A
Businesses under 100 employees	116	88	88	88
Businesses with 100+ employees	15	22	22	22
Average hourly wage	\$14.59	\$15.53	\$15.72	\$15.93
Number of interns hired as a result of internships	25 ⁴	25	27	8 (to date)

¹ Program funding is for 90 internships annually. Initial funding includes awards from two fiscal years - PY 2015-16 and PY 2016-17.

² Internship spots were overbooked to account for attrition based on the previous year's numbers.

³ The total number of spots approved with the attrition factor included.

⁴ Number of students hired as a result of a successful internship.

INTERN DATA FOR FY 2018-2019 INTERNSHIPS⁵

Intern School Data	
Male	47
Female	36
Enrolled in high school	4
Enrolled in adult education, training, or cert. program	6
Enrolled in Community College	6
Working on Bachelor's or Associate's	54
*Had been enrolled full-time in one of the above schools less than six months ago	15
Schools interns are attending	
Colorado State University System	25
University of Colorado Denver	9
University of Colorado Boulder	20
Colorado School of Mines	12
Arapahoe Community College	2
Pikes Peak Community College	1
Red Rocks Community College	1
Metro State University	3
All others	15

IV. Testimonials

⁵ Intern data is self-reporting and includes only those interns placed in active internships. Multiple interns applied during the fiscal year.

"I thoroughly enjoyed the training I received through Challenger Homes. I have regularly been able to join members of the Land Planning Team in the field 3-4 times weekly to check the status of our projects, implement and clarify changes, verify plans, and directly observe the land development process from start to finish. I have been able to participate in weekly meetings with engineers, clients, vendors, and others involved in the development process. The team here at Challenger Homes has been thoroughly accommodating and welcoming. Thank you for giving me this opportunity." C. Barry, Intern

"As a small company, the reimbursement is valuable to allow us to hire top candidates and offer competitive wages. The experience is valuable for the intern to have the opportunity to experience real-world engineering and better know what jobs to pursue when they graduate." Small Business (Start-Up)

"The program helps our small, growing company to be competitive in the industry while providing real-world learning opportunities for a college intern and pay higher wages." Small Business

"This legislation has taught manufactures the importance of building their workforce pipeline and ending the inflationary practice of poaching from each other. Many of the manufacturers that have participated in this program have hired their interns." Ill Program Intermediary

V. Looking Forward

During FY 19-20 we have made a continued and concerted effort to conduct outreach to underrepresented populations, to capture more specific demographic data on students, and to foster more engagement with the community college system. Continuous improvement efforts include:

1. An updated intern application with self-reporting elements to track students who receive financial assistance.
2. A section that allows self identifying of demographics in order to better track special populations.
3. A "telling our story," marketing video which includes testimonies from business and students
4. A larger volume of on-site visits which include special written testimonies and images from business and students outside of the evaluations.

Over the fiscal year, contingent on extended funding and grant extension, the Ill program will continue to create new work-based learning opportunities that include a crosswalk with Apprenticeship opportunities and other inter-agency work-based learning connections. The Ill program will continue to seek out new employers in rural areas, small business startups and utilize the resources to assist job seekers in developing the skills needed to eliminate the skills gap within the state.

For questions regarding this legislative report contact:

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