

**COLORADO FIRST AND EXISTING INDUSTRY  
CUSTOMIZED TRAINING PROGRAM  
FISCAL YEAR 2014**

REPORT TO THE JOINT BUDGET COMMITTEE

NOVEMBER 1, 2014

# COLORADO CUSTOMIZED TRAINING PROGRAMS FISCAL YEAR 2014

## BACKGROUND

The **Colorado First** and **Existing Industry** Customized Training Programs are unique, customized training programs that are designed to support economic development efforts in Colorado by enhancing companies' economic competitiveness, creating and maintaining quality jobs in Colorado, and improving employment opportunities throughout the state. The **Colorado First Customized Job Training Program** was authorized by the General Assembly in 1984 to assist growing companies with short-term, fast-track training for employees in firms that are relocating to or expanding in Colorado. Colorado First grants train only net new hires – e.g. employees hired into new positions that have recently been created in Colorado. Authorized in 1989 as a companion to the Colorado First program, the **Existing Industry Program** was created to maintain the competitiveness of Colorado's existing industrial base; the program's purpose is to provide essential skills re-training to the state's workforce in order to retain Colorado companies that are facing technological challenges in maintaining their competitiveness and/or are in danger of downsizing or closing operations in the state. Funds awarded under both grant programs support transferable skills training for Colorado workers. Over time, approximately 7,002 companies of all sizes have benefited from the programs and more than 158,716 Coloradans have been trained.

Both programs are jointly administered by the State Board for Community Colleges and Occupational Education (SBCCOE) and the Colorado Office of Economic Development and International Trade (OEDIT). Customized training programs are guided by the following operational definitions:

- **Colorado First** funds support training of new employees in companies that are relocating or expanding operations in Colorado.
- The **Existing Industry** program enhances the economic health and vitality of the state by providing matching funds to assist Colorado companies in remaining competitive, despite technical and off-shore challenges, by retraining their employees in customized transferable job skills. Through training, both the companies and their employees gain a competitive edge in retaining Colorado's industrial base. During our emergence from the economic slump there are more companies applying for grant funds than we have funds to approve. Colorado companies are challenged and sometimes struggling to remain competitive and maintain their profitability. As there have been many requests from worthwhile companies, requested grant amounts were sometimes halved to aid more companies. Additional training grant funds would be very beneficial for Colorado companies, their employees and ultimately the health of Colorado's economy.

## COLORADO FIRST PROGRAM

### 1. Criteria for Selecting Participating Firms

The legislative declaration contained in the **Colorado First** Customized Training Program statute (CRS 23-60-306) states that the program is intended to “encourage quality economic development by providing incentives for the location of new industries or the expansion of existing firms, thereby improving employment opportunities for the citizens of this state.”

Training grants are awarded to companies for the specific purpose of providing job-specific, start-up training to their net new hires; training must be to endow trainees with the customized transferable skills necessary to enhance company productivity, increase wages, and reduce the need for public assistance.

Companies must meet specific eligibility criteria – e.g. providing health insurance, paying a self-sufficiency wage, contributing at least 40% of the total training cost – to be eligible to receive a customized training grant. A complete summary of program policies and criteria is attached to this report as Attachment D.

### 2. Overview of Program Impact in FY 2014

In FY 2014, 46 companies were awarded grants via the **Colorado First** Customized Training Program. An analysis of the data contained in the FY 2014 final reports submitted by the company grantees shows the following outcomes:

- 2,027 new hires were trained.
- Average annual post-training wage of the trainees was \$45,060.49. This represents over a 7 percent wage increase during the year in which training occurred.
- The state’s \$2,122,830.33 investment in customized training leveraged \$8,037,953.76 in company contributions to support training of net new employees. This private sector investment is almost 4 times the state cost, exceeding the 40-percent match (\$849,132.13) required by statute by more than \$7 million.
- Employees of the 46 companies that benefited from **Colorado First** grants received training in 12 different counties across the state. See Attachment E for a list of the counties that were served in FY 2014.

Attachment A provides specific data for each of the 46 companies that received **Colorado First** grant awards, including:

- Community college that administered the training grant
- Company Name
- Grant funds awarded
- Company contributions to training
- Proposed Trainees
- New hires trained
- Grant Funds Returned

- # new jobs created
- Pre- and Post-training wages
- # unemployed prior to training

Twenty-three companies returned a portion of their grants for a variety of reasons: actual cost of training was less than projected, company strategic priorities changed, or hiring plans were modified for economic reasons. Some lingering economic downturns this year influenced some companies to defer training and focus on profit requirements. Funds awarded for proposed trainees who were not hired nor trained were returned to the state grant pool. The \$598,756.48 that was returned from FY14 training will be reallocated to other companies who meet all the Colorado First criteria.

### **3. Number of New Jobs Created**

The **Colorado First** Customized Job Training Program supported the creation of 2,932 new jobs during FY 2014. These 2,932 new jobs are significant as Colorado continues to work on reducing our unemployment numbers. Furthermore, each of these new jobs created via the Colorado First program are good jobs in primary industries which, by nature, have the potential of creating even more new jobs in the state.

In 2001, the General Assembly recognized that the state needed flexibility in balancing the need to retain our industrial base with the need to create new jobs in Colorado. Passage of SB 01-169 allowed the SBCCOE to authorize the transfer of up to 50-percent of the appropriated Colorado First funds to the Existing Industry program to help retain the state's industrial base via training. During state fiscal years 2002-2004, this transfer was executed in full, each year, as demand for Existing Industry funds far exceeded the demand for Colorado First funds. In a further effort to spread the grant funds available to meet the greatest need, the General Assembly passed HB 04-1166, expanding the SBCCOE's statutory transfer authority, allowing the transfer of up to 100% of the appropriated Colorado First funds into the Existing Industry program. This provision is especially important in providing Colorado with the necessary flexibility to meet its economic development needs, balancing the state's expansion versus retention needs against actual demand.

In Fiscal Year 2014, Colorado First grant funds used 51% of the total appropriated funds, while Existing Industry used 49% of the total appropriated funds. We believe that the enhanced flexibility to transfer funds as needed will continue to be an important tool: the provision will provide flexibility to strengthen our economy and support the existing workforce, while ensuring appropriate resources to meet the state's economic development goals of increasing employment in primary jobs.

#### **4. Number of Unemployed and Underemployed Individuals Trained**

Based on self-reported data, Colorado First grants supported training of 355 unemployed individuals – including 24 individuals who were previously public assistance recipients – who entered full-time employment. Because this data is self-reported by the trainees (via completion of an employee profile form), this figure may be an under-representation of the actual number of unemployed individuals and/or public assistance recipients who were trained with Colorado First funds and are now contributing to the state’s tax base.

#### **5. Personal and Corporate State Income Tax Generated**

The average annual post-training salary for the 2,027 employees who were trained and hired into the new jobs that were created via FY 2014 Colorado First training was \$45,060.49. Based on the state’s annual personal income tax rate for a single adult (estimated 3% effective rate), the grants helped to generate \$2,740,128.21 in new state income tax revenue to Colorado.

#### **6. Pay-Back of the State Investment**

The “pay-back model” created by the program administrator for the Colorado First Training Program calculates the time it takes to pay back the state’s investment in the grant-funded training. This model is based on the increased Colorado state taxes that are generated via the expanded purchasing power of the newly trained and employed workforce.

The pay-back calculation presented in Attachment C uses the following assumptions:

- Total state cost for all FY 2014 Colorado First training projects = \$2,122,830.33
- Number of employees trained = 2,027
- Number of employees unemployed prior to training = 355
- Average hourly wage before training = \$20.12
- Average hourly wage after training = \$21.66
- Annual work hours = 2,080
- Annual employee attrition rate = 3.3%<sup>1</sup>
- Annual inflation rate = 2.9%<sup>2</sup>
- Estimated effective state tax rate = 3%<sup>4</sup>

Applying the program data into the model shows that the cumulative increase in state taxes for FY 2014, attributable to the newly employed individuals served by Colorado First training, is \$640,485. At this rate, the model predicts that the increased Colorado tax revenue will pay back the state’s \$2,122,830.33 investment in the Colorado First program in just less than three years.

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<sup>1</sup> bls.gov

<sup>2</sup> Inflation rate data – bls.gov

<sup>4</sup>based on Colorado Legislative Staff estimate

## COLORADO EXISTING INDUSTRY TRAINING PROGRAM

### 1. Overview of Program Impact in FY 2014

The General Assembly established the Colorado Existing Industry Training Program (CRS 23-60-307) to re-train and retain existing workers in Colorado's primary industries that are facing technological challenges in remaining competitive and viable to the state's economy. The Existing Industry program has been especially important in keeping Colorado's primary industries profitable and competitive, while providing their employees with transferable job skills and reducing potential unemployment claims.

52 companies received **Existing Industry** training grants during FY 2014. The following outcomes were achieved as a result of this training:

- 2,635 Coloradans were re-trained.
- 505 new jobs were created in Colorado via productivity increases afforded to these existing company grantees via training.
- The Existing Industry Program is an effective catalyst to leverage additional employer investments in training. In FY 2014, Colorado's investment of \$2,027,106.53 in Existing Industry customized training leveraged \$4,745,028.06 in matching training funds (more than two times the total investment in training) by the companies who received grants.
- The Existing Industry Training Program benefited employees working in 17 different counties across Colorado (see Attachment E).

Attachment B presents data for each company that received customized training grants under the Existing Industry program in FY 2014, including:

- Community College delivering or coordinating training
- Company Name
- Grant funds awarded
- Company contributions toward training
- Proposed Trainees
- New Hires Trained
- Grant funds returned
- # new jobs created
- Pre- and Post-training average wages

Attachment B includes detailed information about all the training grants that were awarded to Colorado companies through the Existing Industry process in FY 2014. Twenty-eight of the companies receiving Existing Industry grants returned a portion of their grant awards because: the actual cost of training was lower than expected; several grantees also failed to complete all the proposed training due to time constraints or had a change in the company's strategic priorities. The \$292,456.82 returned by company grantees for FY14 training was returned to the Existing Industry grant pool; it will be reallocated to other firms who meet all the Existing Industry criteria.

## **2. Supporting the Economic Competitiveness of Colorado and its Workforce**

Colorado has long recognized that a well-trained workforce is a key factor in maintaining our state's competitive position in the global economy. In fact, most employers state that both the availability and quality of the workforce are major factors in deciding where to relocate operations or expand a facility. Thus, the Existing Industry program is an important tool to enhance the quality of the Colorado workforce in support of economic development activities. By providing customized training grants to qualifying primary employers to re-train their employees, Existing Industry funds support Colorado's economic health by ensuring a solid pipeline of employees trained in cutting-edge technology. In this manner, the program dually enhances our workforce's employability, while maintaining Colorado's overall economic competitiveness via the availability of a skilled workforce. This program is a true public-private model whereby state funds are used to leverage investments by companies for training that endows the workforce with important, transferable job skills. Additionally, employer investments in workers' skills tend to motivate individual employees to continue to upgrade their own skill sets in order to enhance their productivity and advance their family's opportunities. Grants also prevent worker dislocation and any demand for public support related to such dislocation.

## **3. Criteria for Selecting Company Grantees**

Existing Industry training grants are targeted to Colorado firms facing technological changes or challenges that affect their productivity and/or economic competitiveness. Approved training must be for customized transferable job skills that result in measurable productivity gains. Grants are awarded to companies that a) demonstrate that training their existing employees will improve company productivity, processes, or efficiency to a level that will help to retain and/or expand jobs in Colorado; b) present a thorough training plan comprised of technical/transferable skills training; c) pay a self-sufficiency wage and offer health insurance to full-time, permanent employees; and d) pass the state's financial review. All training must be customized for the company's specific needs. Attachment D describes the grant criteria.

Despite the relatively short timeframe for training (i.e. state fiscal year), most employers report significant productivity gains as the direct result of training: increased sales, improved quality control, cost savings of managers/supervisors' time, decreased turnover rate, and increased profitability. Based on anecdotal feedback from companies who had received an Existing Industry training grant in prior years, these productivity results are sustained over time.

#### **4. Number of New Jobs Created**

Although the Existing Industry program's primary focus is on retention, it also has had a positive impact on job creation. In FY 2014, company grantees reported that 505 net new jobs had been created in their firms as a result of Existing Industry training investments. This is a significant investment in creating new jobs in primary industries.

Data related to personal and state income generated in relation to the number of trainees who moved off public support into these new jobs is not collected by the program administrator.

#### **Company CFEI Testimonial Letters – FY2014**

During the grant program for FY2014, at site visits and discussions with the company supervisors and managers questions were asked regarding the value of the **Colorado First and Existing Industry** training grant program. How valuable is this grant funded training? How does it affect the competitiveness of your company? How do your employees benefit from the use of these training funds? If you feel that these state dollars should continue to be used in this way will you send in your thoughts to be shared with the legislative audience that appropriates funds for this training? We received some very impressive and appreciative letters. Some of their comments:

“I would like to share my experience with the ‘Colorado First & Existing Industry Grant program’ and say how smooth, productive and successful it has been. I am very excited that we participated in this program and we will continue to participate going forward. The application process was straight forward and well supported with minimal bureaucracy. The resources brought in to implement the programs were excellent. And everything was conducted in a professional and timely manner. Most importantly the training was well received and we saw immediate results in terms of motivation and process improvements, plus we developed a long list of future improvement plans. Overall a great project.”

**Paul Stals, General Manager, Circle Graphics, Longmont, CO**

“CACI successfully met customer demands for error free land and sea based maps. Employees developed advanced GIS skills, which increase their market value and wage potential. CACI improved quality of its deliverables, thus increasing its ability to remain competitive, profitable and keep jobs in Northern Colorado.”

**CACI, Ft. Collins, CO**

“LEED Fabrication has been able to find and train 50 new welders due to the training. We have also noticed that our weld failures and re-work has gone down due to training. Many people who

did not have the proper skills to work at our company have developed those skills and are excited about the opportunity that they were given.”

**LEED Fabrication, Loveland, CO**

“Fabulous program! A tremendous opportunity to expose team members to higher level thinking and to help them develop as leaders. We would not have been able to offer this amount of training to so many of our team members without the grant assistance and are very grateful to have had this opportunity.”

**Allegro Coffee, Thornton, CO**

“As always, we appreciate this program to help us continue to invest in our workforce for both our benefit and for the benefit of the State of Colorado. Working with Front Range Community College has been a great experience. We have developed a solid relationship with the College and are looking to leverage their programs beyond this grant. We would not have gotten to know them and their offerings without this program!”

**Trimble Navigation Limited, Thornton, CO**

“Our employees are more educated and well versed, especially in math and statistical process control. Our productivity is higher and the training has shortened the learning curve for our new employees because they are learning ISO principles and math concepts earlier in their employment. For example, company-wide we just experienced our highest shipment rate ever; our plant contributed significantly to that milestone. In addition, our morale is much higher as employees know that we are investing in them.”

**Bal Seal Engineering, Colorado Springs, CO**

These are genuine expressions of thanks from Colorado companies that were strengthened by the **Colorado First and Existing Industry** grants this year. With this grant funding for customized training they can continue to grow and provide gainful employment for existing employees and additional new employees.

This coming year (Fiscal 2015) the Office of Economic Development & International Trade will request a permanent addition to the annual appropriation for the **Colorado First & Existing Industry** grant program which will bring the yearly amount to \$4,500,000.

Please contact Jerry Migler, Vice President Academic Affairs / Provost, 720-858-2759 to reach executives at the above companies for a first hand tour sharing how grant funds have made a difference.

(Additional Testimonial letters follow)

Attachment A  
Colorado First 2014

College	Company	Grant Award	Contributions from Company	Proposed Trainees	Trainees Completed Training	Grant Funds Returned	# new jobs created	Avg Pre-Training Wage	Avg Post-Training Wage	# unemployed prior to training
FRCC-L	Avago Technologies Wireless Mfg (USA)	\$103,680.00	\$638,293.00	120	120	\$0.00	120	\$26.52	\$27.00	9
PPCC	Bal Seal Engineering	\$12,230.00	\$19,407.20	35	30	\$1,604.20	30	\$16.80	\$18.64	6
FRCC-L	CACI	\$41,256.00	\$80,932.00	60	60	\$0.00	75	\$13.00	\$14.00	13
FRCC-W	Circle Graphics, Inc.	\$17,226.00	\$26,552.40	20	20	\$0.00	28	\$11.00	\$11.00	4
CCA	Compass Holdings	\$9,000.00	\$13,743.00	10	10	\$0.00	10	\$14.00	\$16.00	4
FRCC-W	Datalogix	\$46,980.00	\$170,000.00	75	70	\$2,900.00	80	\$42.26	\$44.96	6
ACC	Datatech Laboratories, Inc. dba Data-De	\$5,000.00	\$8,000.00	5	4	\$800.00	5	\$12.33	\$13.30	3
ACC	Digital Risk, LLC	\$65,664.00	\$200,000.00	76	38	\$30,400.00	29	\$25.60	\$27.40	0
CCA	Eldon James Corporation	\$25,920.00	\$30,972.00	30	27	\$2,400.00	0	\$11.00	\$12.00	2
RRCC	Elward Systems Corp.	\$12,225.00	\$10,000.00	15	11	\$2,933.37	6	\$15.27	\$16.98	1
PPCC	Entegris	\$13,824.00	\$30,346.09	16	15	\$800.00	17	\$23.78	\$23.78	2
PCC	Evraz Pueblo	\$103,680.00	\$200,000.00	120	71	\$39,200.00	83	\$21.02	\$21.02	7
ACC	Fidelity Brokerage Services	\$231,998.93	\$1,672,456.60	280	87	\$154,398.93	280	\$16.80	\$19.00	13
FRCC-L	Food Services of America	\$44,958.24	\$30,000.00	53	10	\$33,773.70	10	\$19.84	\$20.23	2
PPCC	Ford Motor Credit Company	\$19,008.00	\$82,373.00	22	22	\$0.00	32	\$21.65	\$22.30	0
PCC	GCC Rio Grande	\$9,000.00	\$42,817.40	10	10	\$0.00	13	\$26.10	\$28.72	1
PCC	GPS Source Inc.	\$9,800.00	\$25,198.20	11	11	\$0.00	11	\$19.84	\$23.46	7
ACC	Grid Alternatives Solar Cluster	\$16,500.00	\$20,000.00	20	11	\$6,750.00	20	\$18.66	\$18.66	2
FRCC-L	L.P.R. Construction Co.	\$34,560.00	\$122,840.00	40	34	\$4,800.00	87	\$11.44	\$17.00	5
FRCC-L	LEED Fabrication Services, Inc.	\$29,025.00	\$81,161.00	50	50	\$0.00	125	\$16.00	\$18.00	5
AIMS	Leprino Foods	\$54,431.89	\$454,122.07	63	63	\$0.00	63	\$18.40	\$18.40	15
FRCC-W	Level 3 Communications	\$108,000.00	\$861,875.00	200	151	\$24,500.00	386	\$14.47	\$15.84	9
FRCC-L	Lutra, LLC dba THRIVE Partners	\$11,900.00	\$0.00	30	0	\$10,900.00	0			0
FRCC-L	Madwire Media, LLC	\$60,480.00	\$50,892.00	70	14	\$44,800.00	35	\$12.63	\$19.00	1
FRCC-W	Main Street Pedicabs Inc.	\$2,039.00	\$1,737.00	2	2	\$0.00	2	\$13.50	\$14.50	2
FRCC-W	Markit on Demand	\$41,472.00	\$152,814.88	48	48	\$21,966.17	20	\$34.72	\$34.72	7
FRCC-L	MM Solutions	\$3,400.00	\$5,488.50	3	3	\$0.00	5	\$16.50	\$18.50	0

College	Company	Grant Award	Contributions from Company	Proposed Trainees	Trainees Completed Training	Grant Funds Returned	# new jobs created	Avg Pre-Training Wage	Avg Post-Training Wage	# unemployed prior to training
PCC	Oliver Manufacturing Co., Inc.	\$19,656.00	\$39,722.88	23	23	\$0.00	12	\$11.14	\$15.55	6
CCA	On Deck Capital, Inc.	\$73,426.50	\$250,000.00	85	44	\$32,794.16	44	\$15.00	\$15.00	10
FRCC-L	OtterBox	\$28,620.00	\$87,520.00	125	125	\$0.00	217	\$26.52	\$27.00	9
CCA	Panorama Consulting Solutions	\$34,559.83	\$48,550.00	40	10	\$23,999.84	12	\$23.29	\$30.00	2
PCC	pewag	\$14,688.00	\$36,371.98	17	15	\$1,600.00	16	\$16.50	\$16.50	2
AIMS	PTI Group USA Mfg	\$74,655.00	\$246,085.00	125	125	\$0.00	143	\$11.96	\$14.94	36
ACC	Sierra Nevada Corporation	\$120,000.00	\$88,152.00	140	24	\$92,800.00	273	\$27.27	\$32.46	3
FRCC-L	Spirae	\$5,000.00	\$40,450.00	5	5	\$0.00	2	\$43.75	\$43.75	3
CCA	Summit Air LLC	\$5,800.00	\$7,981.20	6	6	\$0.00	1	\$15.50	\$16.00	1
ACC	Surrey Satellite Technology	\$21,600.00	\$44,000.00	25	12	\$10,400.00	12	\$51.40	\$52.95	0
FRCC-L	Tharp Cabinet Corporation	\$24,170.94	\$45,812.50	33	33	\$0.00	43	\$17.24	\$18.15	10
PCC	The Trane Company	\$50,112.00	\$130,449.83	58	58	\$0.00	24	\$15.18	\$17.46	13
ACC	The Trizetto Group	\$90,720.00	\$505,095.00	105	38	\$53,600.00	90	\$39.44	\$39.44	0
FRCC-L	Tolmar, Inc.	\$24,732.00	\$37,252.00	36	35	\$636.11	35	\$27.77	\$27.77	6
AIMS	United LLC	\$34,560.00	\$73,275.96	40	40	\$0.00	40	\$21.46	\$22.66	2
PCC	Vestas Towers Americas Inc.	\$297,600.00	\$933,400.70	362	362	\$0.00	364	\$20.88	\$20.88	85
RRCC	Vforge, Inc.	\$34,560.00	\$64,220.00	40	40	\$0.00	0	\$12.48	\$13.46	10
CCA	Visser Precision Cast	\$6,600.00	\$11,741.00	7	7	\$0.00	3	\$24.00	\$26.00	1
PCC	Westwind Wood	\$28,512.00	\$315,852.37	33	33	\$0.00	29	\$11.50	\$12.15	30

Attachment B  
Existing Industry 2014

College	Company	Grant Award	Contributions from Company	Proposed Trainees	Total Trained	Grant Funds Returned	# new jobs created	Avg Pre-Training Wage	Avg Post-Training Wage
MCC	Agri-Inject, Inc.	\$17,280.00	\$27,768.00	20	20	\$0.00	1	\$14.32	\$14.45
FRCC-W	Allegro Coffee Company	\$16,956.00	\$31,030.72	20	20	\$0.00	22	\$24.12	\$25.35
FRCC-W	Alpine Lumber Company	\$69,984.00	\$195,722.00	81	81	\$3,289.00	43	\$18.60	\$19.00
CCA	American Automation, Inc.	\$11,390.00	\$30,000.00	13	5	\$6,393.85	0	\$30.00	\$32.00
FRCC-L	Anheuser-Busch, LLC	\$108,000.00	\$240,000.00	200	195	\$2,500.00	0	\$28.40	\$28.80
PPCC	Bai Seal Engineering	\$8,650.00	\$13,570.47	46	46	\$0.00	30	\$16.80	\$18.64
FRCC-W	Ball Aerospace & Technologies Corp.	\$108,000.00	\$521,658.00	145	145	\$0.00	0	\$55.00	\$55.00
AIMS	Big R Bridge	\$10,860.00	\$10,000.00	16	7	\$5,546.25	0	\$21.02	\$21.86
CCA	Blender Products Inc.	\$19,872.00	\$44,632.24	23	19	\$3,200.00	3	\$19.00	\$19.60
FRCC-W	BSC Signs	\$25,736.40	\$41,801.00	30	30	\$0.00	0	\$19.67	\$20.67
FRCC-W	Checkers Industrial Safety Products	\$33,544.80	\$80,077.92	40	40	\$0.00	0	\$14.58	\$14.87
PCC	Chinook Medical Gear	\$14,688.00	\$41,622.12	17	17	\$0.00	1	\$19.39	\$20.04
FRCC-W	Composite Technology Development, Inc	\$5,380.00	\$13,688.64	12	12	\$0.00	1	\$48.21	\$48.21
ACC	Corey Electrical Engineering, Inc.	\$7,410.00	\$15,000.00	11	10	\$582.73	0	\$28.69	\$29.74
CCA	Davis Manufacturing Co.	\$28,836.00	\$58,136.80	34	32	\$1,570.72	8	\$22.38	\$23.00
PCC	DeBourgh Manufacturing Company	\$58,897.80	\$140,000.00	80	68	\$8,180.28	0	\$15.11	\$15.73
ACC	Encore Electric Inc.	\$84,759.16	\$218,262.90	143	143	\$0.00	47	\$30.72	\$34.53
CCA	ERO Resources Corporation	\$15,552.00	\$80,260.00	18	12	\$4,800.00	1	\$46.00	\$46.00
CCA	Finishing Professionals LLC	\$44,820.00	\$105,332.28	52	52	\$0.00	0	\$16.80	\$17.70
PPCC	High Performance Engineering	\$13,000.00	\$19,555.00	27	22	\$2,222.22	1	\$20.90	\$20.39
FRCC-W	Hospira Inc.	\$31,104.00	\$82,080.00	36	36	\$0.00	0	\$37.00	\$37.00
FRCC-W	Inovonics, Inc.	\$51,645.60	\$138,000.00	60	57	\$2,391.00	0	\$42.62	\$48.49
FRCC-W	Intrex Aerospace	\$22,680.00	\$67,500.00	27	27	\$86.84	0	\$22.00	\$22.00
PPCC	Janska, LLC	\$33,696.00	\$82,774.00	39	35	\$3,200.00	0	\$9.74	\$10.17
CCA	Liberty Home Products	\$27,648.00	\$43,928.80	32	32	\$0.00	19	\$16.02	\$16.58
RRCC	Lifoloc Technologies	\$5,180.00	\$6,925.60	8	8	\$0.00	2	\$28.06	\$28.06
CCA	Luna Gourmet Coffee & Tea Co	\$4,289.96	\$6,419.96	5	5	\$0.00	1	\$25.00	\$26.00

College	Company	Grant Award	Contributions from Company	Proposed Trainees	Total Trained	Grant Funds Returned	# new jobs created	Avg Pre-Training Wage	Avg Post-Training Wage
FRCC-W	Manpower Inc.	\$136,000.00	\$241,147.00	160	160	\$0.00	0	\$13.44	\$13.44
CNCC	Masterworks Mechanical	\$17,600.00	\$11,000.00	25	25	\$0.00	2	\$22.00	\$23.00
FRCC-W	Micro Motion Inc.	\$3,400.00	\$10,000.00	3	1	\$1,600.00	44	\$61.70	\$62.67
PPCC	Mountain States Pipe & Supply Co	\$15,930.00	\$50,461.00	30	30	\$0.00	0	\$18.63	\$19.00
FRCC-W	Nite Ize, Inc.	\$34,560.00	\$55,772.00	73	72	\$438.36	25	\$24.45	\$26.48
ACC	Palmer Drives Controls and Systems	\$19,008.00	\$68,345.00	22	20	\$1,600.00	1	\$19.96	\$20.62
FRCC-W	Pavestone Company LLC	\$26,568.00	\$55,579.36	31	31	\$0.00	0	\$14.11	\$14.15
FRCC-W	Reed Group	\$36,374.40	\$57,210.00	43	43	\$0.00	68	\$35.43	\$35.43
FRCC-W	Research Electro Optics, Inc.	\$30,587.76	\$53,360.00	36	34	\$3,474.57	3	\$28.98	\$29.99
FRCC-L	RLE Technologies	\$8,900.00	\$11,540.00	11	11	\$0.00	2	\$34.98	\$37.10
CCA	SMA America Production, LLC	\$69,892.42	\$116,508.20	82	82	\$19,700.00	0	\$19.17	\$20.12
ACC	SolarCity	\$37,125.00	\$77,000.00	45	44	\$750.00	40	\$16.00	\$17.00
CMU	Spendrup Fan Co.	\$37,152.00	\$69,576.72	43	43	\$0.00	0	\$15.36	\$15.82
ACC	Sunset Stone Inc.	\$54,702.00	\$0.00	100	0	\$50,650.00	0		
CCA	TeamLinX, LLLP dba LINX	\$89,073.00	\$160,345.00	104	94	\$7,930.18	30	\$21.06	\$21.56
ACC	The TriZetto Group	\$122,399.90	\$250,000.00	143	51	\$73,600.00	0	\$39.00	\$39.00
FRCC-W	Trimble Navigation Limited	\$20,106.79	\$60,000.00	70	64	\$1,595.96	60	\$44.36	\$46.82
ACC	tw telecom	\$159,919.74	\$458,773.97	500	374	\$38,283.58	12	\$41.31	\$42.13
PCC	Venture Snowboards	\$2,800.00	\$3,098.00	6	4	\$600.00	0	\$15.50	\$16.00
FRCC-L	Vergent Products	\$33,679.80	\$82,777.00	39	39	\$25,720.20	8	\$22.00	\$24.00
RRCC	Wadsworth Control Systems	\$7,760.00	\$13,006.40	16	16	\$0.00	2	\$19.00	\$20.90
PCC	Western Excelsoir	\$36,990.00	\$109,974.80	43	43	\$0.00	5	\$23.68	\$29.90
FRCC-L	Wolf Robotics, LLC	\$41,450.40	\$53,000.00	48	34	\$11,194.28	11	\$36.22	\$41.38
FRCC-L	Woodward Governor Company	\$85,860.00	\$270,000.00	140	120	\$11,356.80	0	\$23.12	\$23.12
ACC	Zen Planner	\$19,407.60	\$50,807.16	24	24	\$0.00	12	\$28.47	\$29.32

## Attachment C

## COLORADO FIRST STATE TAX IMPACT- FY 2014

PRE-TRAINING	YEAR 1 (current 2014)	YEAR 2 2015	YEAR 3 2016
		2.9% wage inflation	
		3.2% attrition	
NUMBER OF TRAINEES PREVIOUSLY EMPLOYED	1,672	1,618	1,567
PRE-TRAINING AVG. HOURLY WAGE	\$ 20.12	\$ 20.70	\$ 21.30
PER CAPITA AVG. ANNUAL INCOME	\$ 41,850	\$ 43,063	\$ 44,312
AGGREGATE WAGES	\$ 69,972,531	\$ 69,697,679	\$ 69,423,907
ESTIMATED EFFECTIVE INCOME TAX RATE <sup>4</sup>	3.00%	3.00%	3.00%
TOTAL STATE TAX:	\$ 2,099,176	\$ 2,090,930	\$ 2,082,717
<b>POST-TRAINING</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>
NUMBER OF TRAINEES EMPLOYED	2,027	1,962	1,899
POST-TRAINING AVERAGE HOURLY WAGE <sup>2</sup>	\$ 21.66	\$ 22.29	\$ 22.93
PER CAPITA AVG. ANNUAL INCOME <sup>3</sup>	\$ 45,053	\$ 46,359	\$ 47,704
AGGREGATED WAGES	\$ 91,322,026	\$ 90,963,313	\$ 90,606,009
ESTIMATED EFFECTIVE INCOME TAX RATE <sup>4</sup>	3.00%	3.00%	3.00%
TOTAL STATE TAX:	\$ 2,739,661	\$ 2,728,899	\$ 2,718,180
<b>STATE TAX IMPACT</b>			
DIFFERENCE IN TAX RETURN FROM PRE & POST TRAINING	\$ 640,485	\$ 637,969	\$ 635,463
CUMULATIVE INCREASE IN TAXES	\$ 640,485	\$ 1,278,454	\$ 1,913,917
STATE COST - CO FIRST PROGRAM	\$ 2,122,830	\$ 1,482,345	\$ 844,376
LESS PORTION PAID EACH YEAR	\$ 640,485	\$ 637,969	\$ 635,463
REMAINING COST TO PAY EACH YEAR	\$ 1,482,345	\$ 844,376	\$ 208,913
EXCESS OF REVENUE OVER COST	\$ (1,482,345)	\$ (844,376)	\$ (208,913)
<b>STATEWIDE ASSUMPTIONS</b>			
STATE COST - CO FIRST PROGRAM	\$ 2,122,830		
PRE TRAINEES	1,672		
POST TRAINEES	2,027		
PRE-TRAINING AVERAGE HOURLY WAGE	\$ 20.12		
POST-TRAINING AVERAGE HOURLY WAGE	\$ 21.66		
Annual Work Hours	2,080		
Estimated Annual Employee Attrition Rate <sup>1</sup>	3.3%		
Estimated Wage Inflation <sup>2</sup>	2.9%		
Estimated Effective Income Tax Rate <sup>4</sup>	3%		

**Footnotes:**

1- Based on BLS.gov labor turnover rate estimate of 3.2%

2- Based on BLS.gov wage inflation estimate of 2.9%

3- Assumes continued full-time employment

4- Based on Colorado Legislative Staff Estimate



## ATTACHMENT D

### Colorado First & Existing Industry Customized Training Programs ~ A Snapshot of Policies and Procedures ~

The following bullet points present a snapshot of the policies, procedures, and rules that apply to all Colorado First and Existing Industry customized training grants that are awarded. For more detail, refer to the program statutes (23-60-306 and 23-60-307) and the program guidelines and procedures.

#### *Preparing/submitting grant applications:*

- Grant applications must contain original signatures. An original application packet must be submitted to CCCS and an electronic application to OEDIT by the published deadlines. Packets should include the Application Criteria form and company financials in electronic form for Existing Industry to OEDIT only.
- The financial cover page indicating the type of grant must be included.
- Colleges may include an administrative fee – equal to eight-percent of the training costs or minimum \$1,000 and max of \$8,000 annually – in its grant budget. References to the “total grant award” include this administrative fee.
- Grants will only be awarded to companies who meet a sustainable wage threshold: average company wages must be greater than \$11.96/hour in urban areas; in rural Colorado, a company’s average wages must be at least \$9.79/hour.
- All grant-funded training must be customized to meet the company’s specific needs. The grant narrative must clearly explain how training will be customized.
- In no circumstances may grant funds be awarded for training that is for seasonal, part-time, or other non-permanent positions. Only permanent, full-time, non-retail positions in the state of Colorado are eligible for grant-funded training.
- Only private sector companies are eligible to apply for grant funding.
- Training priorities are for transferable job skills. Training that is mandated by a federal or state regulatory agency (e.g. FAA, OSHA, etc.) is not eligible for grant funds.
- Grant funds may only pay for the direct costs of developing and delivering training.
- Applicant companies must pay for a minimum of 40% of the total training costs.
- Companies who have received an Existing Industry grant **must wait two years** (ie. receive funding 2014, out 2015, can apply 2016) before submitting another Existing Industry grant application. If the company has faced severe technological changes before it is eligible for new funding, a clear description of how the company’s needs have changed and what new training needs have emerged must be included in the grant proposal, where indicated.

#### *Paying for training once a grant has been approved:*

- The administrating college should not transfer any grant funds to a company or training vendor without a signed contract or service agreement in place.
- In pass through grants, the college may not retain any grant funds, other than its 8% administrative fee, without a signed contract and invoice from the company for services. The same rules apply to the training modules not delivered by the college in split-delivery grants.
- Only direct costs in developing and delivering training may be paid with grant funds – administrative or indirect costs must be paid for with other resources that are not associated with the Colorado First or Existing Industry programs.

- Receipts incurred for all grant-funded training expenses must be retained.

*Delivering a company's training plan:*

- No grant-funded training may begin before the college has received official notification of the grant award.
- The state's customized training allocation is awarded for the state fiscal year – however, a company's training grant covers only the time period from when the grant is awarded until May 31<sup>st</sup> of that fiscal year.
- Grant-funded training must be completed by May 31<sup>st</sup> of the fiscal year. Extensions no greater than one month may be granted in special circumstances and when the request has been made and authorized in writing.
- If unanticipated circumstances require the company to change its training plan, the company and college must sign and submit a new grant Training Budget page describing the new training. No new training may commence until the revised plan is approved by CCCS and OEDIT.
- It is the college's responsibility to monitor all grant-funded training. Unless the college is delivering training, all grant-funded company training must be monitored.

*Certifying training:*

- Employees eligible to participate in grant-funded training are permanent, full-time employees of the company receiving the grant. No seasonal, part-time, or other non-permanent positions are eligible for training. No trainee may be registered at the college for any classes that are similar to those being provided through the training grant.
- Original signatures on the Training Affidavit form are the only valid means to certify that an employee participated in the training class. Acceptable forms of identification are to be verified by valid company personnel and acknowledged by personnel on the Training Affidavit.
- Each trainee must sign the correct affidavit form for the training class. At the completion of training, the company representative must sign the affidavit form(s), certifying that training occurred and that each employee who signed an affidavit is eligible to have participated in grant-funded training.

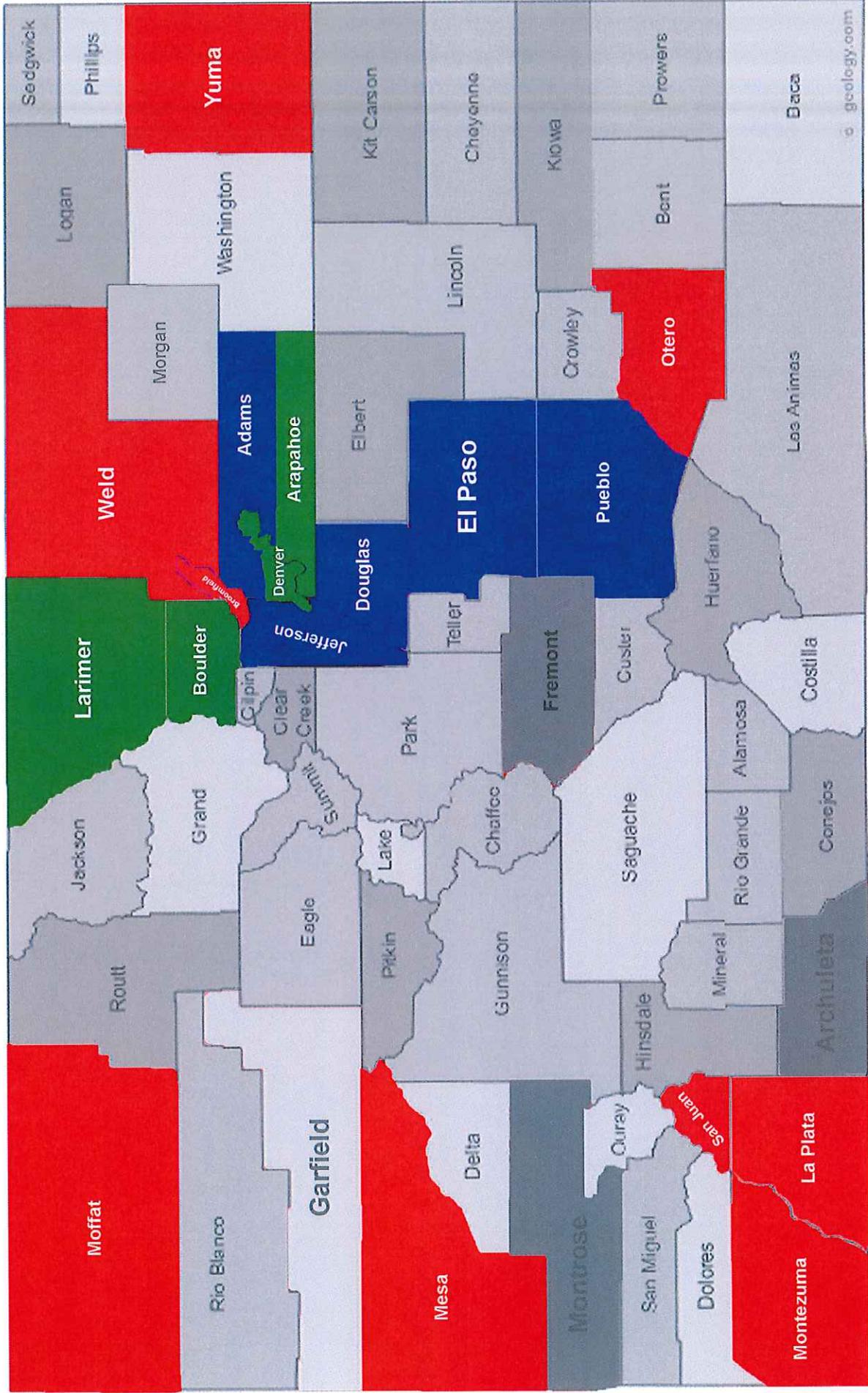
*Closing-out a grant:*

- Upon completion of training, the college must prepare and submit the appropriate close out materials to the CCCS. Please note: if feasible, the close-out should be completed within 30 days of the completion of training.
- No successive fiscal year grant awards will be made to a college until all grants from the preceding fiscal year have been closed-out and approved by CCCS.
- A final report form, completed affidavits, trainee profile reports (for Colorado First grants), and fiscal documents must all be submitted to close out a grant. A grant is not considered closed until all required paperwork and any refunds due have been received and all close out documents approved.
- Upon successful closing of a grant by CCCS, the administrating college will receive a signed copy of its final report form indicating that the grant has been successfully closed.

**Attachment E**  
**Colorado First and Existing Industry Grant Funded Counties**  
**Fiscal Year 2014**

<b>County</b>	<b>Colorado First</b>	<b>Existing Industry</b>	<b>Total Grants</b>
<b>Adams</b>	1	5	6
<b>Arapahoe</b>	5	5	10
<b>Boulder</b>	2	8	10
<b>Broomfield</b>	2	2	4
<b>Denver</b>	5	7	12
<b>Douglas</b>	1	4	5
<b>El Paso</b>	3	4	7
<b>Jefferson</b>	3	4	7
<b>La Plata</b>		1	1
<b>Larimer</b>	13	5	18
<b>Mesa</b>		1	1
<b>Moffat</b>		1	1
<b>Montezuma</b>		1	1
<b>Otero</b>	1	1	2
<b>Pueblo</b>	7		7
<b>San Juan</b>		1	1
<b>Weld</b>	3	1	4
<b>Yuma</b>		1	1
<b>TOTALS</b>	<b>18</b>	<b>52</b>	<b>98</b>

# Attachment F FY 14 Colorado First & Existing Industry Grant Funded Counties



1 - 4 Grants

5 - 8 Grants

> 9 Grants