

Be It Enacted by the People of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** part 2 to article 45 of title 8 as follows:

PART 2

**CONVERSION OF PINNACOL ASSURANCE INTO A FULLY INDEPENDENT MUTUAL
INSURANCE COMPANY**

8-45-201. LEGISLATIVE DECLARATION. (1) THE PEOPLE OF THE STATE OF COLORADO HEREBY
FIND AND DECLARE THAT:

- (A) COLORADO'S WORKFORCE SHORTAGES THREATEN SMALL BUSINESSES, SLOW ECONOMIC GROWTH, AND LEAVE CRITICAL COMMUNITY NEEDS UNMET. RISING COSTS OF LIVING AND THE HIGH PRICE OF EDUCATION HAVE MADE IT HARDER FOR COLORADANS TO ACCESS THE TRAINING NEEDED FOR THESE ESSENTIAL JOBS. BOLD ACTION IS NEEDED.
- (B) THIS MEASURE PROVIDES COLORADANS WITH DEBT-FREE SKILLS TRAINING FOR ESSENTIAL ROLES—LIKE NURSES AND FIREFIGHTERS—and HIGH DEMAND BLUE-COLLAR TRADES—LIKE WELDERS AND PLUMBERS—WITHOUT RAISING TAXES. EXPANDING TRAINING IN THESE HARD SKILLS IS AN IMPERATIVE; SUCH A POLICY WILL ALSO PROVIDE OPPORTUNITIES FOR COLORADANS TO WORK THEIR WAY INTO STABLE, GOOD PAYING CAREERS AND OBTAIN FINANCIAL STABILITY MORE QUICKLY. THIS MEASURE ALLOWS PINNACOL ASSURANCE TO OPERATE INDEPENDENTLY FROM THE STATE, ENDING GOVERNMENT SUBSIDIES AND USING THAT REVENUE TO PROVIDE TUITION-FREE TRAINING FOR THE JOBS WE NEED MOST—LIKE ELECTRICIANS, TEACHERS, AND EMERGENCY RESPONDERS.
- (B) COLORADO CAN LEAD THE NATION WITH A FOCUSED INVESTMENT IN HARD SKILLS TRAINING AND, RATHER THAN PAY FOR THE INVESTMENT WITH HIGHER TAXES, BUSINESS AND CIVIC LEADERS REALIZE THAT UTILIZING A LEGACY STATE ASSET—PINNACOL ASSURANCE—WOULD BE A NATURAL FIT FOR GENERATING REVENUE FOR INVESTMENT IN WORKFORCE AND SKILLS TRAINING.
- (C) THE STATE'S WORKERS' COMPENSATION SYSTEM IS FUNDED ENTIRELY BY PREMIUMS PAID BY COLORADO EMPLOYERS. EXPANDING ACCESS TO SKILLED TRAINING ENHANCES WORKPLACE SAFETY AND REDUCES INJURIES AMONG WORKERS, RESULTING IN LOWER WORKERS' COMPENSATION COSTS FOR COLORADO EMPLOYERS.
- (D) FOCUSED INVESTMENT IN WORKFORCE DEVELOPMENT ALSO PROVIDES THESE EMPLOYERS WITH THE SKILLED TALENT TO ADD JOBS, GROW THE STATE AND LOCAL TAX BASE, AND REINVEST IN OUR COMMUNITIES.
- (E) THERE ARE SUCCESSFUL EXAMPLES OF USING REVENUE FROM A STATE ASSET TO FUND CRITICAL NEEDS, SUCH AS THE USE OF REVENUE FROM ROYALTIES PAID FOR COMMERCIAL USE OF STATE LAND TO FUND NEW SCHOOL BUILDINGS IN AREAS THAT DO NOT HAVE A SIGNIFICANT PROPERTY TAX BASE; THE USE OF LOTTERY FUNDS TO PROTECT COLORADO'S PARKS AND OPEN SPACES; THE USE OF GAMING REVENUE TO FUND THE STATE'S TWO-YEAR COMMUNITY COLLEGE SYSTEM; THE USE OF TOBACCO LITIGATION SETTLEMENT DOLLARS TO FUND HEALTHCARE FOR MIDDLE AND LOWER INCOME CITIZENS. IN THESE CASES, REVENUES DERIVED FROM A SPECIFIC STATE ASSET WERE DEDICATED TO TACKLING A SPECIFIC FUNDING NEED.

(F) IT IS ALSO IN THE BEST INTERESTS OF THE PEOPLE OF THIS STATE, EMPLOYEES, AND EMPLOYERS, THAT COLORADANS HAVE ACCESS TO THE BEST WORKERS' COMPENSATION COVERAGE AS POSSIBLE.

(G) AS THE INSURANCE MARKET HAS EVOLVED, THE CURRENT LIMITATIONS ON PINNACOL ASSURANCE THAT ARISE FROM ITS STRUCTURE AS A STATE-AFFILIATED ENTITY INHIBIT ITS ABILITY TO EVOLVE AND INNOVATE, WHICH UNDERMINES ITS ABILITY TO SERVE COLORADO EMPLOYEES AND EMPLOYERS.

(H) FULLY SEPARATING PINNACOL ASSURANCE FROM THE STATE OF COLORADO WILL ENABLE THE COMPANY TO MEET THE CURRENT AND FUTURE WORKERS' COMPENSATION INSURANCE NEEDS OF THE STATE. THIS WILL BENEFIT COLORADO'S EMPLOYEES, EMPLOYERS, AND ECONOMY.

(I) PINNACOL ASSURANCE SHOULD MAKE A FAIR PAYMENT TO THE STATE AS PART OF ITS FULL SEPARATION FROM THE STATE. THIS SEPARATION PAYMENT, ALONG WITH REVENUE FROM THE PREMIUM TAX ON PINNACOL ASSURANCE, SHOULD BE USED TO ADDRESS THE URGENT NEED TO TRAIN COLORADANS FOR JOBS IN SECTORS ESSENTIAL TO THE STATE'S ECONOMY.

(2) THEREFORE, THE PEOPLE OF THE STATE OF COLORADO APPROVE THE FULL SEPARATION OF PINNACOL ASSURANCE FROM THE STATE AND THE USE OF THE REVENUES THEREFROM FOR JOB AND CAREER TRAINING, AND THEY FURTHER FIND AND DECLARE THIS IS IN THE BEST INTERESTS OF THE STATE AND ITS RESIDENTS, EMPLOYEES, AND EMPLOYERS.

8-45-202. FULL SEPARATION OF PINNACOL ASSURANCE FROM THE STATE. (1) PINNACOL ASSURANCE SHALL FULLY SEPARATE FROM THE STATE OF COLORADO AS OF JULY 1, 2027. UPON THAT DATE, PINNACOL ASSURANCE SHALL NO LONGER BE A POLITICAL SUBDIVISION OF THE STATE AND SHALL BECOME A FULLY INDEPENDENT MUTUAL INSURANCE COMPANY IN WHICH ITS POLICYHOLDERS ARE ITS MEMBERS.

(2) PINNACOL ASSURANCE SHALL MAKE THE FOLLOWING PAYMENTS IN CONNECTION WITH ITS FULL SEPARATION FROM THE STATE:

(A) ON JUNE 30, 2027, PINNACOL ASSURANCE SHALL TRANSFER TO THE STATE OF COLORADO A ONE-TIME PAYMENT OF ONE HUNDRED FIFTY MILLION DOLLARS (\$150,000,000.00). PINNACOL ASSURANCE'S PAYMENT SHALL BE DEPOSITED INTO THE SKILLED WORKERS AND TRADES FUND CREATED BY PART 11 OF ARTICLE 83 OF THIS TITLE.

(B) BEGINNING ON JULY 1, 2027, AND THEREAFTER, THE STATE PREMIUM TAXES PAID BY PINNACOL ASSURANCE TO THE STATE OF COLORADO SHALL BE DEPOSITED INTO THE SKILLED WORKERS AND TRADES FUND CREATED BY PART 11 OF ARTICLE 83 OF THIS TITLE.

(3) THE DIRECTORS AND OFFICERS OF PINNACOL ASSURANCE SERVING ON DECEMBER 31, 2026, SHALL CONTINUE AS THE OFFICERS AND DIRECTORS OF THE COMPANY FOLLOWING FULL SEPARATION UNTIL THEY OR THEIR SUCCESSORS ARE ELECTED PURSUANT TO THE BYLAWS OF THE FULLY INDEPENDENT COMPANY. THE OFFICERS AND DIRECTORS OF PINNACOL ASSURANCE SHALL TAKE ALL ACTIONS AS ARE NECESSARY TO COMPLETE THE FULL SEPARATION AND BECOME A FULLY INDEPENDENT MUTUAL INSURANCE COMPANY.

(4) THE COMMISSIONER OF INSURANCE SHALL TAKE ALL NECESSARY ACTS TO FACILITATE AND SUPPORT THE FULL SEPARATION OF PINNACOL ASSURANCE, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:

- (A) REISSUING PINNACOL ASSURANCE'S CERTIFICATE OF AUTHORITY REFLECTING ITS STATUS AS A FULLY INDEPENDENT MUTUAL INSURANCE COMPANY AND MAINTAINING THE SAME EFFECTIVE DATE AS THE ORIGINAL CERTIFICATE OF AUTHORITY ISSUED TO PINNACOL ASSURANCE;
- (B) RATIFYING AND REAUTHORIZING ALL OF PINNACOL ASSURANCE'S EXISTING FILINGS, RATES, FORMS, AND ANY AND ALL OTHER ADMINISTRATIVE MATTERS ON FILE WITH THE COMMISSIONER OF INSURANCE AS A RESULT OF OR RELATED TO PINNACOL ASSURANCE'S EXISTING INSURANCE BUSINESS SO THAT THE FILINGS, RATES, FORMS AND OTHER ADMINISTRATIVE MATTERS ON FILE SHALL BE EFFECTIVE FOR PINNACOL ASSURANCE UPON ITS FULL SEPARATION; AND,
- (C) PERMITTING PINNACOL ASSURANCE TO MAKE ANY TECHNICAL CORRECTIONS TO ANY FILINGS, RATES, FORMS AND OTHER ADMINISTRATIVE MATTERS TO REFLECT ITS CONVERSION INTO A FULLY INDEPENDENT MUTUAL INSURANCE COMPANY.

(5) ALL ASSETS, LIABILITIES, AND CAUSES OF ACTION OF PINNACOL ASSURANCE THAT EXIST BEFORE JULY 1, 2027, SHALL TRANSFER BY OPERATION OF LAW TO THE FULLY INDEPENDENT MUTUAL INSURANCE COMPANY CREATED BY THIS FULL SEPARATION WITHOUT ANY CONVEYANCE OR TRANSFER AND WITHOUT ANY FURTHER ACTION OR DEED.

(6) ALL MONEY, PROPERTY, RIGHTS, AND PRIVILEGES OF PINNACOL ASSURANCE, INCLUDING BUT NOT LIMITED TO ITS RESERVES, THE NAME AND ANY INTELLECTUAL PROPERTY RIGHTS IN PINNACOL ASSURANCE, AND ATTORNEY-CLIENT PRIVILEGE, THAT EXIST AS OF JUNE 30, 2027, SHALL CONTINUE TO BE THE MONEY, PROPERTY, RIGHTS, AND PRIVILEGES OF PINNACOL ASSURANCE AFTER FULL SEPARATION BY OPERATION OF LAW AND WITHOUT ANY FURTHER ACTION, DEED, OR CONVEYANCE.

(7) ALL OBLIGATIONS AND LIABILITIES OF PINNACOL ASSURANCE, INCLUDING BUT NOT LIMITED TO CLAIMS UNDER INSURANCE POLICIES THEN IN FORCE, THAT EXIST AS OF JUNE 30, 2027, SHALL CONTINUE TO BE THE OBLIGATIONS AND LIABILITIES OF PINNACOL ASSURANCE AFTER FULL SEPARATION.

(8) NO PERSON SHALL HAVE ANY CLAIM AGAINST PINNACOL ASSURANCE OR THE STATE OF COLORADO ARISING FROM THIS FULL SEPARATION.

(9) THE CONVERSION DOES NOT OTHERWISE ANNUL, MODIFY, OR CHANGE ANY EXISTING LICENSE OR OTHER AUTHORITY VESTED IN PINNACOL ASSURANCE, AND ALL SUCH LICENSES AND AUTHORITY SHALL VEST IN THE FULLY INDEPENDENT MUTUAL INSURANCE COMPANY CREATED BY THIS FULL SEPARATION BY OPERATION OF LAW.

(10) EXCEPT FOR THE PAYMENT REQUIRED BY SUBSECTION 2, NEITHER THE STATE NOR ANY DEPARTMENT, AGENCY, OR POLITICAL SUBDIVISION OF THE STATE MAY LEVY ANY TAX OR FEE BASED UPON PINNACOL ASSURANCE'S FULL SEPARATION, INCLUDING FOR THE TRANSFER OF ANY ASSETS, RIGHTS, LIABILITIES, OR PROPERTY PROVIDED FOR BY THIS SECTION.

(11) FOLLOWING ITS SEPARATION, PINNACOL ASSURANCE SHALL NOT RECEIVE ANY SUBSIDY OR FINANCIAL SUPPORT FROM THE STATE.

(12) NO PERSON MAY BRING A CAUSE OF ACTION OR ANY CLAIM AGAINST PINNACOL ASSURANCE OR ITS OFFICERS OR BOARD OF DIRECTORS ARISING FROM ITS CONVERSION INTO A FULLY INDEPENDENT MUTUAL INSURANCE COMPANY.

(13) NO PERSON MAY BRING A CAUSE OF ACTION OR ANY CLAIM AGAINST AN OFFICER, DIRECTOR, EMPLOYEE, OR CONTRACTOR OF PINNACOL ASSURANCE IN THEIR PERSONAL CAPACITY FOR ANY ACT OR OMISSION THAT OCCURRED PRIOR TO JULY 1, 2027, AND WHICH ACT OR OMISSION WAS PERFORMED IN THE PERSON'S OFFICIAL CAPACITY ON BEHALF OF PINNACOL ASSURANCE, UNLESS SUCH ACT OR OMISSION WAS NOT PERFORMED IN GOOD FAITH AND WITHOUT INTENT TO DEFRAUD.

(14) (A) PINNACOL ASSURANCE'S AFFILIATION WITH THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION SHALL TERMINATE EFFECTIVE JUNE 30, 2027.

(B) THE RESERVE PAYMENT DUE FROM PINNACOL ASSURANCE TO THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION SHALL BE DETERMINED UNDER THE PROCEDURES PROVIDED BY PART 3 OF ARTICLE 51 OF TITLE 24 CONCERNING TERMINATION OF AFFILIATION BY AN EMPLOYER, EXCEPT THAT NEITHER THE STATE NOR THE BOARD OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION HAS THE AUTHORITY TO DISAPPROVE OR DENY PINNACOL ASSURANCE'S TERMINATION OF ITS AFFILIATION WITH THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION.

(C)(I) IN ACCORDANCE WITH FEDERAL AND COLORADO LAW, THE EMPLOYEES OF PINNACOL ASSURANCE SHALL NO LONGER BE PERMITTED TO PARTICIPATE IN THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION AFTER PINNACOL ASSURANCE'S TERMINATION OF AFFILIATION.

(II) THE TERMINATION OF PINNACOL ASSURANCE'S AFFILIATION WITH THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION SHALL NOT IMPAIR OR REDUCE THE VESTED OR ACCRUED RIGHTS OR BENEFITS OF FORMER OR CURRENT EMPLOYEES OF PINNACOL ASSURANCE WHO ARE OR WERE MEMBERS OF THE PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION.

(15) THE PAYMENTS FROM PINNACOL ASSURANCE REQUIRED BY SUBSECTION (2)(A) SHALL NOT BE INCLUDED WITHIN THE STATE'S ANNUAL REVENUE AND SPENDING LIMITATIONS UNDER SECTION 20 OF ARTICLE X OF THE CONSTITUTION.

8-45-203. COMMISSIONER OF INSURANCE TO DEVELOP RISK PLAN.

(1) THE COMMISSIONER OF INSURANCE SHALL DEVELOP AND ADMINISTER A RISK PLAN TO PROVIDE WORKERS' COMPENSATION INSURANCE COVERAGE TO EMPLOYERS WHO ARE UNABLE TO PROCURE COVERAGE IN THE VOLUNTARY MARKET. IN ADDITION TO THE REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION, THE PLAN SHALL INCLUDE BUT NOT BE LIMITED TO QUALIFICATIONS FOR AND TERMINATION OF COVERAGE.

(2) TO QUALIFY FOR COVERAGE UNDER THE PLAN, AN EMPLOYER SHALL HAVE BEEN DECLINED COVERAGE BY AT LEAST TWO UNAFFILIATED INSURERS AND SHALL PROVIDE DOCUMENTATION TO THE COMMISSIONER OF INSURANCE THAT THE UNAFFILIATED INSURERS ARE UNWILLING TO PROVIDE COVERAGE AT ANY PREMIUM LEVEL THAT IS REASONABLY RELATED TO THE RISK PRESENTED BY THE EMPLOYER.

(3) ANY EMPLOYER SATISFYING THE REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION AND ANY OTHER QUALIFICATIONS ESTABLISHED BY THE COMMISSIONER OF INSURANCE SHALL BE PROVIDED COVERAGE AT A PREMIUM LEVEL TO BE DETERMINED OR APPROVED BY THE COMMISSIONER OF INSURANCE. PREMIUMS SHALL BE ACTUARILY SOUND, CONSISTENT WITH INDUSTRY STANDARDS FOR CLASSIFICATION AND RATE-MAKING METHODOLOGIES, AND CALCULATED TO ENABLE THE PLAN TO BE SELF-SUSTAINING AND ABLE TO OPERATE WITHOUT SUBSIDIES FROM EMPLOYERS AND INSURERS IN THE VOLUNTARY MARKET, TO THE EXTENT POSSIBLE. RATES SHALL NOT BE

EXCESSIVE, INADEQUATE, OR UNFAIRLY DISCRIMINATORY PURSUANT TO PART 4 OF ARTICLE 4 OF TITLE 10.

(4) THE COMMISSIONER OF INSURANCE MAY DESIGNATE A THIRD PARTY INCLUDING A LICENSED CARRIER OR RATING ORGANIZATION WITH SUBSTANTIAL EXPERIENCE IN DEVELOPING AND ADMINISTERING SIMILAR PROGRAMS TO DEVELOP AND ADMINISTER THE RISK PLAN FOR A THREE-YEAR PERIOD BEGINNING ON THE EFFECTIVE DATE OF THIS ACT. FOLLOWING THIS PERIOD, THE COMMISSIONER OF INSURANCE SHALL CONTRACT WITH THE SAME OR ANOTHER QUALIFIED THIRD PARTY TO CONTINUE THE ADMINISTRATION OF THE RISK PLAN; PROVIDED, HOWEVER, THAT THE COMMISSIONER OF INSURANCE SHALL APPROVE THE PLAN PRIOR TO THE PLAN BECOMING OPERATIVE. THE PLAN ESTABLISHED PURSUANT TO THIS SECTION SHALL REQUIRE THAT ALL LICENSED CARRIERS PARTICIPATE AS A CONDITION OF THEIR AUTHORITY TO TRANSACT BUSINESS IN THIS STATE.

(5) THE COMMISSIONER OF INSURANCE SHALL REQUIRE THE ASSIGNMENT OF A LICENSED SERVICING CARRIER OR CARRIERS TO SERVICE EMPLOYERS WHO QUALIFY FOR THE PLAN. IN SELECTING A SERVICING CARRIER UNDER THIS SUBSECTION (4), THE COMMISSIONER OF INSURANCE SHALL CONSIDER:

- (A) A MINIMUM RATING OF EXCELLENT BY A NATIONALLY RECOGNIZED STATISTICAL RATINGS ORGANIZATION;
- (B) THE FINANCIAL SIZE CATEGORY AS DETERMINED BY A NATIONALLY RECOGNIZED STATISTICAL RATINGS ORGANIZATION;
- (C) CAPACITY TO SERVE EMPLOYERS OF ALL PREMIUM SIZES, COVERAGE REQUIREMENTS, AND CLASSIFICATION CODES;
- (D) PERFORMANCE ON STATE INJURED WORKER EXIT SURVEYS COMPLETED PURSUANT TO SECTION 8-43-220; AND
- (E) EXPERIENCE ESTABLISHING THE ABILITY TO PROVIDE STATEWIDE:
 - (I) SAFETY CONSULTATION, EMPLOYER TRAINING ABILITY, AND ACCIDENT PREVENTION EXPERTISE;
 - (II) CLAIMS HANDLING, MEDICAL CASE MANAGEMENT, REHABILITATION, COST CONTAINMENT, AND EMPLOYEE RETURN TO WORK CAPABILITIES; AND
 - (III) A PHYSICAL OFFICE IN THE STATE AND ELECTRONIC ACCESS FOR THE CONVENIENCE OF COLORADO EMPLOYERS AND EMPLOYEES.

(6)(A) PINNACOL ASSURANCE MUTUAL INSURANCE COMPANY, A LICENSED, DOMESTIC MUTUAL INSURANCE COMPANY INCORPORATED IN THIS STATE AND REGULATED BY THE DIVISION OF INSURANCE, SUCCESSOR-IN-INTEREST TO PINNACOL ASSURANCE THAT FULLY SEPARATED FROM THE STATE ON JULY 1, 2027, SHALL BE REQUIRED TO BID ON A CONTRACT REQUIRED UNDER SUBSECTION (5).

- (B) PRIOR TO THE OPERATION OF THE PLAN ESTABLISHED PURSUANT TO THE PROVISIONS OF THIS SECTION, BUT ONLY UNTIL JUNE 1, 2028, PINNACOL ASSURANCE SHALL SERVE AS THE MARKET MECHANISM FOR THOSE INSUREDS WHO WOULD OTHERWISE BE IN THE RISK PLAN.

SECTION 2. In Colorado Revised Statutes, **add** 8-45-126 to article 45 of title 8 as follows:

8-45-146. REPEAL OF PART. THIS PART 1 IS REPEALED EFFECTIVE JULY 1, 2027.

SECTION 3. In Colorado Revised Statutes, **add** part 11 to article 83 of title 8 as follows:

PART 11
SKILLED WORKERS AND TRADES FUND

8-83-1101. LEGISLATIVE DECLARATION. (1) THE PEOPLE OF THE STATE OF COLORADO INTEND THAT THE NET PROCEEDS RESULTING FROM THE FULL SEPARATION OF PINNACOL ASSURANCE FROM THE STATE, ALONG WITH THE PREMIUM TAX PAID BY PINNACOL ASSURANCE TO THE STATE OF COLORADO THEREAFTER, SHALL BE GUARANTEED AND DEDICATED TO SUPPORTING THE DEVELOPMENT OF COLORADO'S WORKFORCE.

(2) THE FUNDS IN THE SKILLED WORKERS AND TRADES FUND SHALL BE USED SOLELY TO PROVIDE SUPPORT FOR JOB TRAINING PROGRAMS FOR ESSENTIAL AND SKILLED WORKERS SUCH AS FIREFIGHTERS, CONSTRUCTION WORKERS, WELDERS, PLUMBERS, ELECTRICIANS, TEACHERS, NURSES, EMERGING TECHNOLOGY JOBS, AND OTHER TRADES OR CRAFTS PERSONS.

(3) THE MONEY IN THE SKILLED WORKERS AND TRADES FUND SHALL NOT BE TRANSFERRED TO OR REVERT TO THE GENERAL FUND OF THE STATE AT THE END OF ANY FISCAL YEAR. NOR SHALL THE MONEY IN THE FUND BE USED FOR ANY PURPOSE EXCEPT FOR THAT AUTHORIZED BY THIS SECTION.

8-83-1102. JOBS OF TOMORROW FUND CREATED.

A FUND TO BE KNOWN AS THE SKILLED WORKERS AND TRADES FUND IS HEREBY CREATED AND ESTABLISHED IN THE TREASURY OF THE STATE OF COLORADO.

8-83-1103. DEFINITIONS.

(1) "BOARD" MEANS THE BOARD OF DIRECTORS CREATED FOR MANAGEMENT OF THE SKILLED WORKERS AND TRADES FUND BY SECTION 8-83-1102.

(2) "FUND" MEANS THE SKILLED WORKERS AND TRADES FUND CREATED BY SECTION 8-83-1102.

(3) "EDUCATION PROVIDER" MEANS A COMMUNITY COLLEGE WITHIN THE COMMUNITY COLLEGE SYSTEM OF THE STATE OF COLORADO OR A PUBLIC OR NONPROFIT PRIVATE ENTITY OFFERING PROGRAMS IN THE STATE OF COLORADO THAT MEETS THE FOLLOWING CRITERIA:

(A) THE ENTITY SHALL BE IN GOOD STANDING WITH THE COLORADO SECRETARY OF STATE'S OFFICE;

(B) THE ENTITY SHALL HAVE EXISTED AND OFFERED PROGRAMS IN THE STATE OF COLORADO FOR AT LEAST THREE (3) YEARS; AND

(C) THE ENTITY MUST MEET AT LEAST ONE OF THE FOLLOWING CRITERIA:

(I) IT IS RECOGNIZED AS AN APPRENTICESHIP PROGRAM REGISTERED WITH THE U.S. DEPARTMENT OF LABOR OR COLORADO STATE APPRENTICESHIP AGENCY OR A PRE-APPRENTICESHIP PROGRAM THAT PREPARES STUDENTS FOR AN APPRENTICESHIP PROGRAMS REGISTERED WITH THE U.S. DEPARTMENT OF LABOR OR COLORADO STATE APPRENTICESHIP AGENCY;

- (II) IT PREPARES ITS GRADUATES TO PASS A STATE LICENSURE EXAMINATION OR AN ALTERNATIVE LICENSURE PROGRAM; OR,
- (III) IT MUST MEET ALL OF THE FOLLOWING CRITERIA:
 - (a) IT MEETS THE REQUIREMENTS OF 20 U.S.C. § 1001(A)(1), (2), AND (4) OF THE U.S. HIGHER EDUCATION ACT, AS AMENDED;
 - (b) IT PROVIDES A PROGRAM OF TRAINING TO PREPARE STUDENTS FOR EMPLOYMENT IN AN ESSENTIAL JOB CATEGORY AND EITHER GRANTS OR PREPARES THE GRADUATE TO QUICKLY EARN AN INDUSTRY-RECOGNIZED CREDENTIAL; AND
 - (c) THE PROGRAM IS EVIDENCE-BASED AS DETERMINED BY THE BOARD.

(4) "ELIGIBLE AWARD RECIPIENT" MEANS:

- (A) A COLORADO RESIDENT;
- (B) WHO IS SEEKING JOB TRAINING IN AN ESSENTIAL JOB CATEGORY; AND
- (C) WHO DEMONSTRATES FINANCIAL NEED AS DETERMINED BY THE BOARD.

(5) "ESSENTIAL JOB CATEGORY" MEANS A PROFESSION THAT IS ESSENTIAL TO THE GROWTH AND DEVELOPMENT OF THE STATE OF COLORADO, SUCH AS FIREFIGHTERS, WELDERS, PLUMBERS, ELECTRICIANS, TEACHERS, NURSES, EMERGING TECHNOLOGY JOBS, AND OTHER TRADES OR CRAFTS PERSONS, THAT ARE IN-DEMAND IN COLORADO'S LABOR MARKET AS CERTIFIED ANNUALLY BY THE BOARD;

(6) "QUALIFYING PROGRAM" MEANS A JOB TRAINING OR CERTIFICATION PROGRAM THAT PREPARES STUDENTS TO WORK IN AN ESSENTIAL JOB CATEGORY, PROVIDED, HOWEVER, THAT SUCH PROGRAM IS NOT A TWO- OR FOUR-YEAR DEGREE PROGRAM.

8-83-1104. MONEY ALLOCATED TO THE FUND. THE FOLLOWING SHALL BE DEPOSITED INTO AND HELD WITHIN THE FUND:

- (1) THE PAYMENT REQUIRED BY SECTION 8-45-202 FOR THE FULL SEPARATION OF PINNACOL ASSURANCE FROM THE STATE;
- (2) THE PREMIUM TAXES PAID BY PINNACOL ASSURANCE TO THE STATE OF COLORADO AFTER ITS FULL SEPARATION FROM THE STATE;
- (3) ALL INTEREST DERIVED FROM MONEY HELD IN THE FUND;
- (4) ANY PROPERTY OR MONEY DONATED SPECIFICALLY TO THE STATE OF COLORADO FOR THE SPECIFIC PURPOSE OF BENEFITTING THE FUND, INCLUDING CONTRIBUTIONS, GRANTS, GIFTS, BEQUESTS, DONATIONS, AND FEDERAL, STATE, OR LOCAL GRANTS;
- (5) ANY FEDERAL GRANTS OR MONEY AWARDED TO THE STATE OF COLORADO FOR THE PURPOSE OF SUPPORTING THE FUND; AND
- (6) SUCH OTHER FUNDS AS MAY BE ALLOCATED BY THE GENERAL ASSEMBLY.

8-83-1105. FUND TO REMAIN INVOLATE.

ALL MONEY DEPOSITED IN THE FUND SHALL REMAIN IN TRUST FOR THE PURPOSES SET FORTH IN THIS PART, AND NO MONEY IN THE FUND SHALL BE USED OR APPROPRIATED FOR ANY OTHER PURPOSE.

8-83-1106. FUND EXPENDITURES. THE BOARD MAY ONLY EXPEND MONEY FROM THE FUND CONSISTENT WITH THE FOLLOWING RESTRICTIONS:

- (1) NO MORE THAN FIVE (5) PERCENT OF FUND EXPENDITURES IN ANY YEAR MAY BE SPENT ON ADMINISTRATIVE EXPENSES.
- (2) NO MORE THAN FIVE (5) PERCENT OF FUND EXPENDITURES IN ANY YEAR MAY BE SPENT ON COMPUTER-BASED DATA MANAGEMENT AND EVALUATION SYSTEMS.
- (3) THE BOARD MAY ONLY DISBURSE MONEY FROM THE FUND TO REIMBURSE EDUCATION PROVIDERS FOR SCHOLARSHIPS AWARDED TO ELIGIBLE AWARD RECIPIENTS FOR PARTICIPATION IN A QUALIFYING PROGRAM.
- (4) AN ELIGIBLE AWARD RECIPIENT MUST SUCCESSFULLY COMPLETE A QUALIFYING PROGRAM FOR AN EDUCATION PROVIDER TO RECEIVE REIMBURSEMENT.
- (5) AN EDUCATION PROVIDER MAY AWARD A SCHOLARSHIP TO AN ELIGIBLE AWARD RECIPIENT IN ANY AMOUNT, BUT THE FUND MAY ONLY REIMBURSE THE EDUCATION PROVIDER FOR UP TO \$3,000 PER SCHOLARSHIP PER YEAR.
- (6) AN EDUCATION PROVIDER THAT DOES NOT MEET THE REQUIREMENTS OF THIS SECTION, AND ANY OTHER REQUIREMENTS AS MAY BE ESTABLISHED BY RULE BY THE BOARD, SHALL NOT BE ELIGIBLE TO RECEIVE REIMBURSEMENT FROM THE FUND.
- (7) TO REMAIN IN GOOD STANDING AND ELIGIBLE TO RECEIVE REIMBURSEMENTS, AN EDUCATION PROVIDER MUST SUBMIT A REPORT EACH YEAR TO THE BOARD, THE FORM AND SUBSTANCE OF SUCH REPORT TO BE AS REQUIRED BY THE BOARD TO THE EXTENT NECESSARY TO CONDUCT A REASONABLE AUDIT OF THE EDUCATION PROVIDER'S RECEIPT AND USE OF MONEY FROM THE FUND.
- (8) THE BOARD SHALL BEGIN DISBURSING MONEY FROM THE FUND AS SOON AS PRACTICABLE BUT NO LATER THAN JANUARY 1, 2028.

8-83-1106. THE BOARD OF THE SKILLED WORKERS AND TRADES FUND.

- (1) THERE SHALL BE ESTABLISHED A STATE BOARD TO ADMINISTER THE FUND AND THE PROVISIONS OF THIS PART. THE BOARD SHALL HAVE SEVEN MEMBERS. SIX MEMBERS OF THE BOARD SHALL BE MEMBERS OF THE PUBLIC AS FOLLOWS: THREE MEMBERS WHO ARE EMPLOYED IN AN ESSENTIAL JOB CATEGORY AND THREE MEMBERS WHO OWN A BUSINESS EMPLOYING PERSONS IN AN ESSENTIAL JOB CATEGORY. THE SEVENTH MEMBER OF THE BOARD SHALL BE THE CHAIR OF THE STATE BOARD FOR COMMUNITY COLLEGES AND OCCUPATIONAL EDUCATION.
- (2) THE PUBLIC MEMBERS OF THE BOARD SHALL BE APPOINTED BY THE GOVERNOR, SUBJECT TO THE CONSENT OF THE SENATE, FOR TERMS OF FOUR YEARS, EXCEPT THAT WHEN THE FIRST SUCH MEMBERS ARE APPOINTED, THREE PUBLIC MEMBERS SHALL BE APPOINTED FOR A TWO-YEAR TERM TO ASSURE STAGGERED TERMS OF OFFICE THEREAFTER. NO TWO PUBLIC MEMBERS OF THE BOARD MAY RESIDE IN THE SAME CONGRESSIONAL DISTRICT. MEMBERS OF THE BOARD SHALL BE SUBJECT TO REMOVAL AS PROVIDED IN ARTICLE IV, SECTION 6 OF THE CONSTITUTION.
- (3) BOARD MEMBERS SHALL BE ENTITLED TO REASONABLE PER DIEM COMPENSATION TO BE DETERMINED BY THE BOARD PLUS THEIR ACTUAL EXPENSES FOR EACH MEETING OF THE BOARD OR A COMMITTEE OF THE BOARD.
- (4) THE BOARD SHALL BE RESPONSIBLE FOR, AND SHALL HAVE THE POWER TO UNDERTAKE THE FOLLOWING ACTIONS:

- (A) TO DIRECT THE TREASURER TO DISBURSE EXPENDABLE INCOME FROM THE FUND AS THE BOARD MAY DETERMINE BY RESOLUTION, AND OTHERWISE TO ADMINISTER THE FUND, PROVIDED, HOWEVER, THAT THE BOARD SHALL NOT HAVE THE POWER TO ACQUIRE ANY INTEREST IN REAL PROPERTY OTHER THAN (I) TEMPORARILY TO HOLD REAL PROPERTY DONATED TO IT AND (II) TO ACQUIRE LEASED OFFICE SPACE;
- (B) TO PROMULGATE RULES AND REGULATIONS AS ARE NECESSARY OR EXPEDIENT FOR THE CONDUCT OF ITS AFFAIRS AND ITS MEETINGS AND OF MEETINGS OF ANY COMMITTEES AND GENERALLY FOR THE ADMINISTRATION OF THIS ARTICLE, PROVIDED, HOWEVER, THAT SUCH RULES AND REGULATIONS SHALL GIVE THE PUBLIC AN OPPORTUNITY TO COMMENT ON THE GENERAL POLICIES OF THE BOARD AND UPON SPECIFIC GRANT PROPOSALS BEFORE THE BOARD;
- (C) TO CAUSE TO BE PUBLISHED AND DISTRIBUTED AN ANNUAL REPORT, INCLUDING A FINANCIAL REPORT, TO THE CITIZENS, THE GOVERNOR, AND THE GENERAL ASSEMBLY, WHICH WILL SET OUT THE BOARD'S PROGRESS IN ADMINISTERING THE FUND, AND THE BOARD'S OBJECTIVES AND ITS BUDGET FOR THE FORTHCOMING YEAR, AND TO CONSULT WITH THE GENERAL ASSEMBLY FROM TIME TO TIME CONCERNING ITS OBJECTIVES AND ITS BUDGET;
- (D) TO ADMINISTER THE DISTRIBUTION OF MONEY FROM THE FUND PURSUANT TO THIS PART;
- (E) TO DETERMINE WHAT PORTIONS, IF ANY, OF MONEY IN THE FUND SHOULD BE INVESTED IN AN INTEREST-BEARING ACCOUNT BY THE TREASURER, TO REMAIN IN THE FUND AND AVAILABLE FOR EXPENDITURE IN FUTURE YEARS; AND
- (F) TO EMPLOY SUCH STAFF AND TO CONTRACT FOR SUCH OFFICE SPACE AND ACQUIRE SUCH EQUIPMENT AND SUPPLIES AND ENTER INTO SUCH OTHER CONTRACTS AS IT MAY CONSIDER NECESSARY FROM TIME TO TIME TO ACCOMPLISH ITS PURPOSES, AND TO PAY THE COST THEREOF FROM THE MONEY IN THE FUND, PROVIDED, HOWEVER, THAT TO THE EXTENT IT IS REASONABLY FEASIBLE TO DO SO THE BOARD SHALL (I) CONTRACT WITH A STATE AGENCY FOR NECESSARY ADMINISTRATIVE SUPPORT AND (II) ENDEAVOR TO KEEP THE LEVEL OF ADMINISTRATIVE EXPENSE AS LOW AS MAY BE PRACTICABLE, AND THE BOARD MAY CONTRACT WITH THE STATE PERSONNEL BOARD OR ANY SUCCESSOR THEREOF FOR PERSONNEL SERVICES.

(4) THE BOARD SHALL BE A POLITICAL SUBDIVISION OF THE STATE, AND SHALL HAVE ALL THE DUTIES, PRIVILEGES, IMMUNITIES, RIGHTS, LIABILITIES AND DISABILITIES OF A POLITICAL SUBDIVISION OF THE STATE, PROVIDED, HOWEVER, THAT ITS ORGANIZATION, POWERS, REVENUES AND EXPENSES SHALL NOT BE AFFECTED BY ANY ORDER OR RESOLUTION OF THE GENERAL ASSEMBLY. HOWEVER, THE BOARD SHALL NOT BE AN AGENCY OF STATE GOVERNMENT, NOR SHALL IT BE SUBJECT TO ADMINISTRATIVE DIRECTION BY ANY DEPARTMENT, COMMISSION, BOARD, BUREAU OR AGENCY OF THE STATE.

(5) THE BOARD SHALL BE SUBJECT TO ANNUAL AUDIT BY THE STATE AUDITOR, WHOSE REPORT SHALL BE A PUBLIC DOCUMENT.

(6) THE BOARD MEMBERS AND OFFICERS AND DIRECTORS OF THE BOARD SHALL HAVE NO PERSONAL LIABILITY FOR ANY ACTIONS OR REFUSAL TO ACT BY THE BOARD AS LONG AS SUCH ACTION OR REFUSAL TO ACT DID NOT INVOLVE WILLFUL OR INTENTIONAL MALFEASANCE OR GROSS NEGLIGENCE.

(7) ANY MONEY DISBURSED BY THE BOARD TO ELIGIBLE EDUCATION PROVIDERS SHALL NOT BE INCLUDED WITHIN THE STATE'S ANNUAL REVENUE AND SPENDING LIMITATIONS UNDER SECTION 20 OF ARTICLE X OF THE CONSTITUTION.

8-83-1107. NO SUBSTITUTION ALLOWED

THE PEOPLE INTEND THAT THE ALLOCATION OF FUNDS REQUIRED BY THIS PART IS NOT A SUBSTITUTION FOR ANY FUNDS APPROPRIATED BY THE GENERAL ASSEMBLY FOR ANY OTHER JOB TRAINING PROGRAM OR TO THE COMMUNITY COLLEGE SYSTEM OF THE STATE.

SECTION 4. Effective date. This measure shall be effective on and after the date it is declared by proclamation of the governor to have been adopted by voters.