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FISCAL IMPACT REPORT

SPONSOR <u>Trujillo</u>	LAST UPDATED _____
	ORIGINAL DATE <u>2/27/2023</u>
SHORT TITLE <u>Apprenticeship Council Appointive Authority</u>	BILL NUMBER <u>House Bill 424</u>
	ANALYST <u>Hanika-Ortiz</u>

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact			

Parentheses () indicate expenditure decreases.
 *Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From
 Public Education Department (PED)
 Workforce Solutions Department (WSD)
 Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of House Bill 424

House Bill 424 (HB424) amends Section 50-7-3 NMSA 1978 by updating names of departments and titles of department heads for participants on the Apprenticeship Council (Council). The bill would ensure the secretary of WSD has statutory authority to appoint members of the Council and that the secretary of public education, or their designee, knows to participate in the council. The bill also revises other outdated terms that agencies did not expect to affect the work of the Council.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

PED said the department can absorb any costs associated with the Secretary becoming a member and participating on the Apprenticeship Council. PED believes having the Secretary, or their designee, sit on the Council would help improve the quality of apprenticeship programs.

SIGNIFICANT ISSUES

As structured, WSD says the Apprenticeship Council contemplates employee positions at WSD and PED that do not exist anymore. The proposed amendments update the language to reflect correct agency names and employee positions that now exist. Frequently, federal authorities audit WSD. As more federal money becomes available, WSD believes it needs to resolve these legacy and technical issues so the department remains compliant with federal laws and regulations.

ADMINISTRATIVE IMPLICATIONS

PED suggests this is a natural fit, because WSD staff collaborates with staff from the College of Career Readiness Bureau to educate stakeholders about business incubators, economic development endeavors, One-Stop Center services, and other business resources. WSD also provides professional development to educators, serves as CTE advisory committee members, and coordinates workforce participation in career technical student organizations. Further, hands-on opportunities keep students engaged. Apprenticeship programs can help keep students' interest and give them something to look forward to, while also setting them up for success in careers.

OTHER SUBSTANTIVE ISSUES

PED also provided the following background:

Apprenticeship programs combine paid on-the-job training with related classroom instruction. The goal is to prepare individuals for skilled occupations while equipping them with the practical experience that employers seek in applicants. As a result, employers often ensure that program completers retain employment at an increased wage.

The New Mexico State Apprenticeship Office works with the State Apprenticeship Council to encourage development of and assist in the establishment of voluntary apprenticeship training opportunities for eligible persons in industry. The State Apprenticeship Council is composed of public, employer, and employee groups so that there is equal representation on the Council. DWS appoints members from each group to participate on the Council. The State Apprenticeship Council is a very active group, as it reviews all applications for new or revised apprenticeship programs. It recognizes the need to increase both the number of registered apprenticeship programs and the number of apprentices participating.

Working together, the State Apprenticeship Council and State Apprenticeship Office provide technical support and guidance to programs, necessary for success as well as compliance with state and federal regulations and working to improve the overall quality and performance of apprenticeship in the state. An apprenticeship program should be on the forefront of employment and training in the state of New Mexico.