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**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Click all that apply:

Original Amendment
Correction Substitute

Date 2024-01-24
Bill No: HB208

Sponsor: Montoya, Rod
Short TRADE EDUCATION
Title: ASSISTANCE ACT

Agency Name
and Code NMHED
Number: _____
Person Writing Comes, Douglas
Phone: 5056706478 Email douglas.comes@hed.n

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY23	FY24		
N/A	\$100,000.00	Nonrecurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY23	FY24	FY25		

N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	N/A	N/A	N/A	N/A	N/A	N/A

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

Duplicates/Relates to Appropriation in the General Appropriation Act:

SECTION III: NARRATIVE

BILL SUMMARY

HB208 creates the Trade Education Assistance Fund (TEAF), with an initial appropriation of one hundred million dollars (\$100,000,000) in non-recurring funds from the General Fund. Through the TEAF, eligible students participating in a trade education program will receive stipends to use toward living expenses.

FISCAL IMPLICATIONS

HB208 creates the Trade Education Assistance Fund (TEAF) in the state treasury, with an initial appropriation of one hundred million dollars (\$100,000,000) in non-recurring funds from the General Fund for expenditure in FY25 and subsequent fiscal years. Unexpended or unencumbered funds will not revert to the General Fund.

SIGNIFICANT ISSUES

HB208 creates the Trade Education Assistance Fund (TEAF) in the state treasury, with an initial appropriation of one hundred million dollars (\$100,000,000) in non-recurring funds from the General Fund for expenditure in FY25 and subsequent fiscal years.

Through this fund, stipends would be awarded to students meeting the following qualifications:

- resident of New Mexico
- has earned a high school diploma or its equivalent at least two years prior to being awarded a stipend but has not earned a baccalaureate degree
- is participating in a trade education program (as defined by the New Mexico Higher Education Department [NMHED])
- claims at least one dependent on their federal or state income tax return and is not claimed as a dependent on another individual's tax returns
- has complied with other rules set forth by NMHED (to be written)

Students will receive awards in six-month increments. Awards may not be renewed for more than two years. A student cannot receive more than thirty thousand dollars (\$30,000) per calendar year. The award may be terminated if a recipient fails to meet satisfactory participation per NMHED rules (to be written). Stipends are intended to go toward students' living expenses.

The definition of trades and eligible programs is an outstanding issue. HB208 calls for eligible trades training programs leading to a licensure or certificate to align with those covered in the Construction Industries Licensing Act. This act does not provide an explicit list of eligible trades or professions. Instead, it provides a range of activities for which contractor licensure would be required (Section 60-13-3) and trade bureaus which cover subsets of those activities (Sections 60-13-32 and 60-13-32). Furthermore, the terms "trades?", "career technical?", and "vocational?" are often used interchangeably to describe the same or similar educational pathways. Statewide, there is no formal definition for any of these terms, and they may have different meanings for different audiences. As such, while HB208 only uses the term trades, the fields of eligible programs need to be formally defined, either by NMHED in its proposed rule making authority or by the legislature.

In addition, it is unclear if all training programs would be eligible, including programs run by higher education institutions (HEIs), programs run by industry, apprenticeships, or other training programs. Apprenticeships fall under the purview of the New Mexico Department of Workforce Solutions (NMDWS), so NMDWS may be an essential partner to the proposed program's implementation and success.

Demand for workers in fields commonly thought of as trades (electricians, builders, pipefitters, plumbers, etc.) is high. In a December 2023 article, Brian Condit, Executive Director of the New Mexico Building and Construction Trades Council, describes the demand as "off the charts?" (<https://www.bizjournals.com/albuquerque/news/2023/12/19/brian-condit-new-mexico-tradespeople-trends.html>). Associated Builders and Contractors project the construction industry to need an additional 546,000 workers nationally on top of the normal 2023 hiring pace to meet the demand for labor (<https://www.abc.org/News-Media/News-Releases/construction-workforce-shortage-tops-half-a-million-in-2023-says-abc>).

PERFORMANCE IMPLICATIONS

HB208 does not outline specific performance measures.

If funded, the New Mexico Higher Education Department (NMHED) could develop performance measures for the program.

ADMINISTRATIVE IMPLICATIONS

The New Mexico State Treasurer's Office would administer this program pursuant to vouchers signed by the secretary of higher education or the secretary's authorized representative. If apprenticeship programs are also included, the New Mexico Department of Workforce Solutions (NMDWS) may also have an administrative role.

Additional staffing may be required at all involved departments to support this program.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

HB5 proposes an appropriation of two million five hundred thousand dollars (\$2,500,000) in non-recurring funds in FY25 and one million five hundred thousand dollars (\$1,500,000) in recurring funds to create a Workforce Development and Apprenticeship Trust Fund which would support the creation and implementation of apprenticeship training programs in New Mexico. This bill likely impacts similar professional fields as HB208.

HB176, the General Appropriation Act of 2024, currently includes appropriations of two million dollars (\$2,000,000) for FY25 to FY28 to create and implement a trades career exploration program for disengaged young adults.

HB197 amends the nondiscrimination policy for in-state tuition and state-funded financial aid regardless of immigration status. It is unclear if the stipends proposed by HB208 would qualify as state-funded financial aid for education programs and would therefore be available to undocumented students.

TECHNICAL ISSUES

N/A

OTHER SUBSTANTIVE ISSUES

N/A

ALTERNATIVES

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

If HB208 is not enacted, one hundred million dollars (\$100,000,000) in non-recurring funds would not be appropriated from the General Fund. A Trade Education Assistance Fund would not be created, nor would the associated stipends be issued to students that may have qualified.

AMENDMENTS

N/A