

LFC Requester:	Carlie Malone
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AGENCY BILL ANALYSIS - 2026 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO
AgencyAnalysis.nmlegis.gov and email to billanalysis@dfa.nm.gov
(Analysis must be uploaded as a PDF)

SECTION I: GENERAL INFORMATION

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

Date Prepared: 1/23/26 *Check all that apply:*
Bill Number: SB77 Original Correction
 Amendment Substitute

Sponsor: Michael Padilla **Agency Name and Code** Dept. of Workforce Solutions-631
Short Apprentice & Training Program Contributions **Number:** _____
Person Writing Sarita Nair
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SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY27	FY28		
0	0		

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY27	FY28	FY29		
Unknown	Unknown	Unknown		Public Works Apprenticeship and Training Fund

(Parenthesis () indicate revenue decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY27	FY28	FY29	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total	25-250	0	0	0	NR	PWAT

(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

Synopsis: SB77 would add Class A projects (roads and utilities) to the list of public works construction projects that are required to contribute to the Public Works Apprenticeship and Training Act. The bill attempts to create an exception that would result in no contribution being assessed if certain jobs within a project are not “apprenticeable.”

FISCAL IMPLICATIONS

SB77 may have a de minimis impact on the administration of the Public Works Apprenticeship and Training Act. It would also generate an unknown amount of revenue, which the DOT may be in a better position to estimate. In the 2023 analysis for a similar bill, DOT reported 1.8 million labor hours in FY21 and 1.6 million labor hours in FY22, resulting in approximately \$983,000-\$1.1 million in revenue to PWAT from federal projects. Those estimates predated the significant investments the State and federal government have made in roads, so these estimates likely need to be revised.

DWS would need to add functionality to its electronic PWAT management system, to enable “Type A projects” to make payments into the online system for public works projects. DWS can use its administrative share of additional funds for this purpose, estimated as a one-time cost of \$25 thousand. The extent of the tech system change costs would increase if the current language in Subsection C is not addressed. The current system would not facilitate a different contribution rate to be assigned on a “job-by-job” basis. Adopting the suggested amendment 1 below would address that concern. Amendment 2 would not address that concern.

SIGNIFICANT ISSUES

Under the Public Works Apprenticeship and Training Act (PWAA), employers who are engaged in public works construction projects are required to either sponsor apprenticeships or make a contribution based on the wages of employees to the Public Works Apprenticeship and Training (PWAT) Fund, which DWS administers. This proposed legislation would remove the current exemption for employers who are working on projects that solely fall under “Type A: Street Highway, Utility, and Light Engineering,” thereby expanding the number of employees and construction projects that would be required to contribute to PWAT. In turn, this would result in some combination of additional apprenticeships and additional funding for PWAT, which would then be distributed to eligible apprenticeship program sponsors.

The language of Section C in this draft would carve out an entire project if the project involves any trade that does not have a registered apprenticeship program. That is because the language says that apprenticeship contributions “shall not apply to public works construction projects...” as opposed to just excluding certain trade classifications. As DWS understands it, the goal of this legislation is to say that when DWS is calculating apprenticeship rates as part of prevailing wage determinations, that rate should be \$0 if there is no registered apprenticeship program for that trade classification. The intent is also to limit this carve-out to Type A projects (street, highway,

utility, and light engineering). See proposed amendments below to address these concerns.

In addition, it is unlikely that the carve-out in Section C would have any effect. Examining the existing [wage rates for Type A projects](#), most if not all of those trade classifications are associated with apprenticeships, because of the way they are framed in the wage rates. For example, the [construction craft laborer](#) apprenticeship would apply to the laborer categories, which likely include the strippers and flaggers often mentioned in debates of previous iterations of the bill. See proposed amendments below to address these concerns.

PERFORMANCE IMPLICATIONS

There would be some additional administration required and DWS would need a system update to accommodate type A projects. In addition, DWS would likely need to engage in substantial education efforts to make local governments and the affected industries aware of these changes.

The extent of the tech system changes would increase if the current language in Subsection C is not addressed. The current system would not facilitate a different contribution rate to be assigned on a “job-by-job” basis. Adopting the suggested amendment 1 below would address that concern. Amendment 2 would not address that concern.

ADMINISTRATIVE IMPLICATIONS

More extensive administrative process changes would be necessary if the current language in Subsection C is not addressed. The current processes do not facilitate a different contribution rate to be assigned on a “job-by-job” basis. In addition, new apprenticeships are registered every year, and it is unclear if or when a particular job would be subject to the contribution if a new apprenticeship program became registered in that field. Adopting the suggested amendment 1 below would address that concern. Amendment 2 would not address that concern.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

None.

TECHNICAL ISSUES

Addressed under Significant Issues and Amendments.

OTHER SUBSTANTIVE ISSUES

None.

ALTERNATIVES

None.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Type A projects will continue to be exempted from the requirement to pay into the PWAT.

AMENDMENTS

1. If the sponsors are looking to mitigate the financial impact to Type A projects, it might be easier to establish a reduced rate of contribution for Type A projects. For example, the new Subsection C could say that the Type A contribution rate shall be 50% of the contribution rate established for Type B projects (general building).
2. If that change is not adopted, Subsection C should clarify that it applies only to “Type A

public works construction projects” or to “street, highway, bridge, road, utility or maintenance public works construction projects.” In addition, because the term “approved apprentice and training program” is already defined in 13-4D-3 to encompass programs that are federally registered or registered in NM, that term should be used in Subsection C (“... a craft or trade that is not included in an approved apprentice and training program.”).