

**LEGISLATIVE EDUCATION STUDY COMMITTEE
BILL ANALYSIS**

Bill Number: HB 182

51st Legislature, 2nd Session, 2014

Tracking Number: .195208.2SA

Short Title: Move Apprenticeship Assistance Program

Sponsor(s): Representatives Rick Miera, Miguel P. Garcia, Christine Trujillo,
Luciano "Lucky" Varela and Others

Analyst: Mark Murphy

Date: February 14, 2014

Bill Summary:

HB 182 transfers the functions, appropriations, money, contractual obligations and other property, powers and duties related to the administration and oversight of the *Apprenticeship Assistance Act* from the Instructional Support and Vocational Education Division of the Public Education Department (PED) to the Workforce Solutions Department (WSD).

Among its other provisions, HB 182 establishes the voting and nonvoting membership of the Apprenticeship and Training Advisory Committee (ATAC) as follows:

- voting:
 - two persons representing employers of members of apprenticeable trades;
 - two persons representing organized labor for members of apprenticeable trades;
 - two persons employed as full-time training directors or program administrators of apprenticeship communities;
 - two persons employed by educational entities teaching or supervising preparatory instruction, supplementary instruction, or related courses; and
 - the State Apprenticeship Director of the WSD, who will serve as the chair of ATAC; and

- nonvoting:
 - two persons designated by and representing the New Mexico college and university system in vocational education;
 - one person designated by and representing the Office of Apprenticeship; and
 - one person representing the general public who is familiar with the goals and needs of technical-vocational education in New Mexico, and who is not otherwise eligible for service on the advisory committee.

The provisions of HB 182 take effect on July 1, 2014.

Fiscal Impact:

HB 182 does not contain an appropriation; however, for FY 15, CS/HB 2 et al., the *General Appropriation Act of 2014* includes an appropriation of \$192,400 to the WSD, Labor Relations program.

Fiscal Issues:

From FY 10 to FY 11, the Apprenticeship Assistance program saw a 68.4 percent reduction in funding from \$607,800 down to \$192,500. Since FY 11, the appropriation amount has been steadily between \$192,400 and \$192,500 each year.

According to the WSD bill analysis, HB 182 streamlines certain administrative functions affecting apprenticeship in New Mexico by placing the *Apprenticeship Assistance Act* with the agency that has been designated by the US Department of Labor as the location of the State Apprenticeship Agency.

Also, according to the PED bill analysis, HB 182 places no fiscal implications on PED.

Substantive Issues:

Memorandum of Understanding – June 2013

In June 2013, PED and WSD signed a memorandum of understanding (MOU) regarding the implementation of apprenticeship programs authorized by the *Apprenticeship Assistance Act*.

According to the MOU that took effect on June 23, 2013, upon signature of the cabinet secretaries of PED and WSD, the agreement:

- allows DWS to carry out certain ministerial functions in administering the *Apprenticeship Assistance Act*;
- recognizes that DWS currently manages apprenticeship programs that assist in the development of skilled workers to accommodate the social and economic needs of the adult citizens of New Mexico;
- notes that it is in the best interest of all participants that DWS carry out certain ministerial functions that were assigned to PED by the *Apprenticeship Assistance Act*; and
- states that the transfer of these functions within the apprenticeship programs to DWS will enhance economic development of the state and assist more citizens in New Mexico to become skilled craftsmen.

The particular duties that the MOU transfers to DWS from PED require the DWS to:

- administer apprenticeship assistance funds in accordance with legislative requirements and established policies and guidelines;
- assist apprenticeable crafts requesting training funds;
- provide oversight to ensure that contractual compliance and performance of the *Apprenticeship Assistance Act* are met;
- report to the ATAC any noncompliance identified by the evaluation and monitoring process;
- provide reporting updates on a regular basis;

- review in cooperation with PED all commentary provided by the ATAC for use in requesting appropriations of state funds as a budgetary line item for the registered apprenticeship system;
- cooperate with PED to follow budget and accounting guidelines as outlined in the *Apprenticeship Assistance Act*;
- adopt forms, formulas, and administrative procedures upon recommendation of the ATAC and with the approval of PED for the distribution of available funds to registered apprenticeship training programs; distribution formulas shall be uniform in applications to all programs; and
- assist PED in identifying, annually in the month of March, the qualifications required and the procedures to be followed in the coming year, in applying for state funds for the following fiscal year.

FY 14 Apprenticeship Assistance Distributions

The \$192,400 appropriation in FY 14 was allocated to 15 separate programs across the state. The program name, the number of apprentices in FY 14 and the total FY 14 allocation are provided in **Table 1**, below.

Table 1. Apprenticeship Assistance Programs and Funding

Program Name	Number of Apprentices	FY 14 Allocation
NM Ironworkers Joint Apprenticeship Committee	50	\$16,631.57
JATC for the Electrical Industry	105	\$34,926.29
JATC for the Plumbing and Pipefitting Industry in New Mexico	75	\$24,947.35
Sheet Metal Works LU #49 JATC	60	\$18,143.53
Carpenters Education Program	40	\$9,676.55
Operating Engineers Local 953 Journeymen & Apprentice Training Trust Fund	5	\$1,088.61
NM Finishing Trades Institute	8	\$1,741.78
Plasterers and Cement Masons	5	\$1,088.61
Northern NM Independent Electrical Contractors	160	\$38,706.19
NM Chapter American Fire Sprinkler Association	8	\$2,661.05
Gardner Zemke Electrical Apprenticeship Program	9	\$2,177.22
ABC Multi-Trade Apprenticeship Programs	75	\$16,329.17
AGC-NM Building Branch Multi Trade	20	\$4,354.45
Independent Electrical Contractors, Inc., Southern NM Chapter	55	\$18,294.72
NM Laborers Training and Apprenticeship Trust	5	\$1,632.92
TOTAL	680	\$192,400.00

LESC - 2/2014

Background:

The Legislature has appropriated money to PED to support the Apprenticeship Assistance program pursuant to the *Apprenticeship Assistance Act* for many years. **Table 2**, below, outlines this support over the last 10 years.

Table 2. Ten Year History of Appropriations to the Apprenticeship Assistance Program

Fiscal Year	Appropriation to the Apprenticeship Assistance Program
FY 14	\$192,400
FY 13	\$192,400
FY 12	\$192,400
FY 11	\$192,500
FY 10	\$607,800
FY 09	\$800,000
FY 08	\$650,000
FY 07	\$649,300
FY 06	\$650,000
FY 05	\$650,000

Source: LESC, Summaries of Legislation Introduced 2004-2013

LESC 2/2014

Committee Referrals:

HLC/HAFC/SEC

Related Bills:

- CS/HB 2 et al. *General Appropriations Act of 2014*
- HB 3 *Education Appropriation Act*
- HB 170 *High School Student Industry Certification*
- HB 281a *Adult Basic Education Programs*
- HB 312 *High School Work Force Assessment System*
- SB 199 *Vocational Differential in Funding Formula*