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FISCAL IMPACT REPORT

ORIGINAL DATE 2/26/19

SPONSOR Garratt/Martinez, R LAST UPDATED _____ HB 550

SHORT TITLE Contributions for Public Works Projects SB _____

ANALYST Hawker

REVENUE (dollars in thousands)

Estimated Revenue					Recurring or Nonrecurring	Fund Affected
FY19	FY20	FY21	FY22	FY23		
	Indeterminate				Recurring	Public Works Apprentice and Training Fund

Parenthesis () indicate revenue decreases

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)

SUMMARY

Synopsis of Bill

House Bill 550 amends Section 13-4D-4 NMSA 1978, the Public Works Apprentice and Training Act strikes language excluding street, highway, bridge, road, utility or maintenance contracts from public works projects that require employers to make contributions to approved apprentice and training programs in New Mexico. The result is all public works construction projects will require the employer to make contributions to approved apprentice and training programs.

HB 550 also provides technical cleanup.

FISCAL IMPLICATIONS

WSD will receive additional revenues for projects that are currently exempt from contributing to the PWAT fund. WSD is unable to determine how much additional revenue will be generated by HB 550.

SIGNIFICANT ISSUES

WSD is the agency that houses the State Apprenticeship Agency (SAA), which has responsibility and accountability for apprenticeship programs within New Mexico. The SAA is the point of contact for businesses and individuals interested in apprenticeships in New Mexico. The SAA promotes apprenticeship programs and the success of apprentices.

The SAA has sought and received approval from the United States Department of Labor Office of Apprenticeship (OA) to register and oversee apprenticeship programs and agreements for federal purposes. WSD carries out its SAA functions and with 38 registered apprenticeship programs currently serving 1,516 registered apprentices.

ADMINISTRATIVE IMPLICATIONS

The addition of a category of workers to be included would not significantly impact WSD's ability to continue to successfully administer the apprenticeship program.

OTHER SUBSTANTIVE ISSUES

Per WSD:

WSD, as SAA, shall:

- (1) have authority to give final approval in all areas pertaining to the registration of apprenticeship programs and program standards;
- (2) maintain a register and appropriate records of all apprentices and apprenticeship programs that have approval of the state apprenticeship agency;
- (3) review the activities of apprenticeship programs;
- (4) approve and keep record of registered apprentices and apprenticeship agreements;
- (5) monitor apprenticeship programs, performance standards, and conduct quality assurance assessments and EEO compliance reviews;
- (6) apply for recognition as a registration agency with the OA and maintain national requirements as determined in 29 CFR 29.13 for recognition as a registration agency; the SAA is subject to derecognition by the OA for failure to fulfill or operate in conformity with the requirements of CFR parts 29 and 30;
- (7) serve as the registration agency for apprenticeship programs and apprentices;
- (8) issue interim credentials to apprentices;
- (9) issue certificates of completion to apprentices;
- (10) coordinate linkages with the New Mexico workforce investment system;
- (11) issue certifications;
- (12) issue certificates of registration; and
- (13) be the highest authority within the division where complaint appeals can be sent.

VKH/sb