

LFC Requester:	
-----------------------	--

**AGENCY BILL ANALYSIS
2024 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO:

Analysis.nmlegis.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}

Check all that apply:
Original **Amendment**
Correction **Substitute**

Date 1/16/2024
Bill No: HB-5

Sponsor: Joy Garratt, Siah Correa
Hemphill, Michael Padilla and
Christine Chandler
Short Title: Workforce Development &
Apprenticeship Fund

Agency Name and Code
Number: 63100 - NMDWS
Person Writing Sarita Nair
Phone: 5052638137 **Email** _____

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$50,000	nonrecurring	General

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY24	FY25	FY26		
	2500	2500	Recurring	General

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY24	FY25	FY26	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		85	90	175	recurring	general

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to: duplicates/conflicts with HB 4
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: HB 5 creates the Workforce Development and Apprenticeship Trust Fund, making annual transfers from the fund to the Public Works Apprenticeship and Training Fund (PWAT) and annual appropriations to the Workforce Solutions Department for the purposes of the Apprenticeship Assistance Act (AAA). It would require that to be eligible and considered, each apprenticeship program contractor would have to have no unresolved complaints or violations of the Public Works Minimum Wage Act or the Construction Industries Licensing Act before receiving funds pursuant to the AAA and the PWAT Act.

FISCAL IMPLICATIONS

The bill would increase distributions to the PWAT by 2.5 million in the first two years and 1.5 million in subsequent years, subject to backstops on revenue shortages. Up to 15% of this could be used for administrative costs.

SIGNIFICANT ISSUES

None.

PERFORMANCE IMPLICATIONS

Amendments to NMSA 13-4D-5(B) require that funds shall not be distributed to any programs which are not in compliance with their approved apprenticeship standards, the Public Works Minimum Wage Act or the Construction Industries Licensing Act. DWS will require an additional management analyst to enforce this provision to ensure compliance with the apprenticeship standards and the Public Works Minimum Wage Act. This could be funded through the administrative portion of the distributions from the PWAT. DWS would need to promulgate rules to make clear how violations of the Public Works Minimum Wage Act would be evaluated and how we would communicate with RLD regarding coordination with the Construction Industries Division.

ADMINISTRATIVE IMPLICATION

The Workforce development and apprenticeship trust fund shall be created with an initial \$50,000,000 appropriation. On July 1, 2024 and July 1, 2025, the fund shall transfer \$2,500,000 to the public works apprenticeship and training fund (PWAT) and to DWS to carry out the

purposes of the Apprenticeship Assistance Act. On July 1st for each year thereafter, the fund shall transfer \$1,500,000 annually. The proposed legislation is unclear as to the ratio of the transfer to the two purposes and it is assumed the distribution would be discretionary to the agency.

The amendment to NMSA 13-4D-5(A) expands the ability to use up to 15% of the PWAT fund for administrative purposes from the Public Works Bureau of the Labor Relations Division to the Department of Workforce Solutions as a whole, which gives greater latitude to the agency to administer the fund.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

Technical changes are the same as in HB 4 that clarify the responsible party for enforcing the statute and NMSA 13-4D-5, which legislates the public works apprentice and training fund contributions.

HB 5 does not include the language in HB4 regarding public works projects that are solely street, highway, bridge, road, utility, or maintenance contracts with employers who elect not to participate in training from paying into the Public Works Apprenticeship Training Fund. These bills are not in conflict; either could stand alone.

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS