

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

**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 January 28, 2024
Bill No: HB 208

Sponsor: Montoya, Brown, Castellano, De La Cruz
Short Title: Trade Education Assistance Act

Agency Name and Code NMICC - 994
Number: _____
Person Writing Vanessa K. Hawker
Phone: _____ **Email** vhawker@hawkerhynson.com

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY24	FY25		
	\$100,000.0	NR	GF

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis:

House Bill 208 (HB 208) creates the Trade Education Assistance Act. In HB 208 a *trade education program* is defined as a program approved by the higher education department to train individuals to qualify for licenses or certificates of competence issued pursuant to the Construction Industries Licensing Act.

Section 3 of HB 208 provides for individuals to receive a stipend if the individual:

- is a New Mexico resident,
- has earned at least a high school diploma or equivalent at least two years prior to being

- awarded a stipend but has not earned a bachelor's degree,
- is participating in a trade education program,
 - claims at least one dependent on federal or state tax return and is not claimed as a dependent on another's federal or state tax return,
 - has complied with other rules promulgated by the higher education department.

Stipends shall not be awarded for periods longer than six months. Stipends may not be renewed for more than two years. The stipend may be terminated if the recipient does not satisfactorily participate in an approved trade education program. Stipends may be used for living expenses incurred while participating in an approved trade education program. Stipends may not exceed \$30 thousand per calendar year.

Section 4 of HB 208 gives the higher education department rulemaking authority for the Trade Education Assistance Act. The department shall award stipends to individuals the department has certified.

By November 1 of each year the higher education department shall report to the legislative finance committee and the department of finance administration on

- the status of the fund,
- the number of individuals who have received stipends and the amount of stipends received,
- the types of trade education programs approved and the number of stipend recipients participating in each type of program.

Section 5 creates the trade education assistance fund, a nonreverting fund. The higher education department shall administer the fund in accordance with the Trade Education Assistance Act.

The effective date of HB 208 is July 1, 2024.

FISCAL IMPLICATIONS

HB 208 appropriates \$100 million from the general fund to a newly created fund, the trade education assistance fund.

SIGNIFICANT ISSUES

New Mexico's independent community colleges educate New Mexicans to meet New Mexico's workforce needs, both in for-credit (traditional academic model) and noncredit (workforce training) instruction. Unlike students in for-credit educational program, noncredit students are ineligible for federal financial aid and state financial aid. They are also ineligible for the opportunity scholarship. The inability to pay for living expenses while training in a noncredit educational program is one of the reasons why students do not enroll or if they have enrolled, one of the reasons they drop out of their noncredit training program.

New Mexico's community colleges provide workforce training in a variety of high demand, well paying occupations. These include training in CDL truck driving, electric lineworker, coding, data science, hazmat training, EMT, oil and gas production, plumbing, electric wiring, construction, etc. HB 208 would only provide stipends to those students who qualify for licenses or certificates of competence issued pursuant to the Construction Industries Licensing Act.