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## FISCAL IMPACT REPORT

**LAST UPDATED** \_\_\_\_\_

**SPONSOR** Brown/Montoya **ORIGINAL DATE** 2/12/2025

**BILL**

**SHORT TITLE** Trade Education Assistance Act **NUMBER** House Bill 272

**ANALYST** Jorgensen

### APPROPRIATION\* (dollars in thousands)

FY25	FY26	Recurring or Nonrecurring	Fund Affected
	\$100,000.0	Nonrecurring	General Fund

Parentheses ( ) indicate expenditure decreases.  
\*Amounts reflect most recent analysis of this legislation.

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT\* (dollars in thousands)

Agency/Program	FY25	FY26	FY27	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>HED</b>	<b>No fiscal impact</b>	<b>\$110-\$120</b>	<b>\$110-\$120</b>	<b>\$220-\$240</b>	Recurring	<b>General Fund</b>
<b>Total</b>	<b>No fiscal impact</b>	<b>\$110-\$120</b>	<b>\$110-\$120</b>	<b>\$220-\$240</b>	Recurring	<b>General Fund</b>

Parentheses ( ) indicate expenditure decreases.  
\*Amounts reflect most recent analysis of this legislation.

### Sources of Information

LFC Files

Agency Analysis Received From  
Higher Education Department (HED)

## SUMMARY

### Synopsis of Senate Bill 272

House Bill 272 (HB272) creates the Trade Education Assistance Act. The bill allows for a stipend to be awarded to a student participating in trade education provided the student is a New Mexico resident, has earned a high school diploma or equivalency at least two years prior to enrolling in the program but has not received a bachelor's degree, is not a dependent on another person's taxes, and claims at least one dependent on their federal or state income tax return. The stipends can be awarded for 6 months, and an individual may receive the stipend for up to 2 years totaling no more than \$30 thousand per year. A stipend may be terminated if the recipient fails to satisfactorily participate in a trade education program.

The Higher Education Department (HED) would be responsible for administering the fund and would be required to report to the Legislative Finance Committee and the Department of Finance and Administration on the status of the fund, number of participants receiving assistance, and the types of trade programs approved by HED.

HB272 would create the trade education assistance fund and appropriate \$100 million from the general fund to support the program. The fund is nonreverting and all investment income would be credited to the fund.

The effective date of this bill is July 1, 2025.

## **FISCAL IMPLICATIONS**

The appropriation of \$100 million contained in this bill is a nonrecurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of a fiscal year shall not revert to the general fund.

HED reports that the administration of HB272 will require a full-time employee and estimates the salary range to be \$61.5 thousand to \$98.5 thousand per year. The cost of benefits will likely bring the full-time employee salary cost to approximately \$100-\$120 thousand per year as reflected in the estimated additional operating budget impact table.

## **SIGNIFICANT ISSUES**

HB272 defines a trade education program as a program to “to train individuals to qualify for licenses or certificates of competence issued pursuant to the Construction Industries Licensing Act” and requires programs to be approved by HED.

The categories for certificates of competence are: journeyman electrician, journeyman plumber, journeyman gas fitter, journeyman pipe fitter, journeyman sheet metal worker, journeyman boiler operator, residential wireman and journeyman welder working on pipelines, collection lines or compressor stations (60-13-38 NMSA 1978).

HB272 relates to an appropriation in the 2024 General Appropriation Act. The GAA included \$20 million per year for 3 years to pay student tuition and fees for workforce training programs that include the programs covered under HB272. However, no stipend is available through this appropriation.