

<b>LFC Requester:</b>	<b>Rachel Mercer-Garcia</b>
-----------------------	-----------------------------

**AGENCY BILL ANALYSIS - 2025 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
[AgencyAnalysis.nmlegis.gov](http://AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.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}*

**Date Prepared** 2/10/25 *Check all that apply:*  
**Bill Number:** SB0317 Original  Correction   
 Amendment  Substitute

**Sponsor:** Craig W. Brandt **Agency Name and Code** Dept. of Workforce Solutions-631  
**Person Writing Analysis:** Sarita Nair  
**Short Title:** Youth Apprentice Internship Opportunity PGM **Phone:** 505-263-3187 : **Email** Evan.Sanchez@dws.nm.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
\$25,000	0	Nonrecurring	GF

(Parenthesis ( ) indicate expenditure decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

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

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected

<b>Total</b>						
--------------	--	--	--	--	--	--

(Parenthesis ( ) Indicate Expenditure Decreases)

**SECTION III: NARRATIVE**

**BILL SUMMARY**

Synopsis:

SB 317 would establish a Youth Internship Opportunity Program in America’s Job Centers (AJCs) in New Mexico for people aged 16-18, under the direction of the local workforce development boards. The goals would be to increase youth employment opportunities, develop in-demand skills in certain industries, and foster workforce readiness and an occupational talent pipeline in New Mexico. It would prioritize low-income and at-risk youth, underserved populations, and students enrolled in career technical education (CTE) programs. Requires internships to be registered with the applicable AJC (see discussion below). Participants would receive an hourly wage between \$15 and \$17/hour for up to 400 hours in an internship under the new Program, under a qualified mentor or supervisor for each participant as designated by the employer. This bill requires AJCs to track, monitor and report specific participant progress and outcomes, appropriates \$25 million to DWS, to be spent in FY 2025-27 to conduct these programs.

In general, DWS is supportive of expansion of internships and pre-apprenticeship. However, the bill contains a number of technical problems, all of which can be resolved as suggested below.

**FISCAL IMPLICATIONS**

The fiscal costs of administering the program, both at DWS and the local workforce level, would be absorbed by the program. Generally DWS would likely need one program coordinator (\$100,000). The four local workforce boards would likely hire at least one program coordinator, or may contract out the program.

We note that assuming a 10% administrative cost, we note the program would create over 3,700 internship opportunities under the proposed compensation structure.

**SIGNIFICANT ISSUES**

Based on the entire bill, it appears that this program aims to address work-based learning. However, the bill uses the terms “apprenticeships,” as opposed as to “pre-apprenticeships.” Apprenticeships are “earn while you learn” programs, registered under both New Mexico and federal law with the Department of Workforce Solutions’ State Apprenticeship Office. Pre-apprenticeship, in contrast, is not currently registered or regulated by any entity, and is most commonly the companion program to internship. There would be significant issues and conflicts if the bill intends to reference “apprenticeships.” In the remainder of this Analysis, we assume the goal of the program is to address internships and “pre-apprenticeships.”

Work-based learning programs, such as pre-apprenticeships and internships, support young people’s job and career opportunities, develop their workplace skills, and improve the state’s workforce capacity. DWS currently administers pre-apprenticeship programs. The Youth Internship Opportunity Program created by this bill could complement those existing programs while increasing resources to expand related opportunities statewide.

## **PERFORMANCE IMPLICATIONS**

DWS does not currently regulate pre-apprenticeship programs, but it has developed standards for its internal pre-apprenticeship programs that could be adapted to meet the requirements of this bill. The local workforce development boards have varying degrees of success with operating youth programs, and the flexibility of this program would make it a good companion to the highly regulated opportunities available under the Workforce Innovation and Opportunity Act.

## **ADMINISTRATIVE IMPLICATIONS**

The bill's stated goal is to have the four local workforce development boards administer the Youth Internship Opportunity Program. However, the bill uses the term "America's Jobs Center." America's Jobs Centers (AJCs) are places, rather than entities. DWS, local workforce boards, and contracted partners who operate WIOA Youth, Adult and Dislocated Worker programs occupy the AJCs. DWS staff is managed through area managers under WIOA Title 3 (Wagner-Peyser), and AJCs are managed by four "One-Stop Operators" that the four local workforce boards contract with. AJCs, as places, cannot run programs or accept funds.

DWS supports the model of making these particular pre-apprenticeship programs available through the local workforce development boards, because of the strong connection with WIOA Youth programs. In order to do that, DWS would contract with the four local workforce development boards, which in turn would either operate the Youth Internship Opportunity Program directly, or contract with an external partner. The local workforce development boards use the same data collection systems as DWS, which would make tracking and data collection easy. Technical corrections to achieve this are proposed below.

The bill also provides that participants will be employees of the AJCs. In the DWS pre-apprenticeship program, the pre-apprentices are employees of DWS. However, DWS is not sure that all four workforce development boards could manage this level of administrative undertaking. A proposed solution that would give the option of the participant being an employee of DWS is listed under technical issues.

In addition, although the bill requires an agency to serve as the employer, it also uses the term "employer" to refer to the business hosting the intern or pre-apprentice. We recommend using a different term for the entity that will host the intern or pre-apprentice, such as "business" or "host organization." This is also reflected in the technical issues.

## **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

The New Mexico Minimum Wage Act, NMSA § 50-4-9 et seq., does not establish a lower wage specifically for minors, meaning they are generally entitled to at least the state-mandated minimum wage, which is currently \$12.00 per hour. While the wages proposed in SB 317 exceed the current minimum wage, there is a possibility that the state minimum wage could increase during the program's funding period (FY 2025-2027), creating a potential discrepancy if the program's pay rates do not adjust accordingly. A solution would be to add language clarifying that the program's wages must meet or exceed the applicable minimum wage if it increases beyond \$15 per hour during the program's duration.

Section 1(G) of SB 317 states that biweekly wage statements will be processed only after the submission of completed timesheets and employer meetings with the participant’s mentor or supervisor. However, this could be read as making wage payment contingent on these steps, which may conflict with NMSA, Section 50-4-2(A). That statute requires employers to establish regular paydays not more than sixteen days apart and does not condition payment on administrative processes like timesheet submission or meetings. To clarify, this bill should make clear that wages will be paid on a regular biweekly schedule regardless of whether administrative steps are completed on time. Revisions are addressed in Technical Issues below.

## **TECHNICAL ISSUES**

- To change the bill so that it addresses pre-apprenticeships, the term “apprenticeship” should be replaced with “pre-apprenticeship” throughout, including:
  - Section 1(A)(4)
  - Section 1(C)
  - Section 1(I) and (I)(2)(B)
- To address the concern about the appropriate administrative entity:
  - The definition for “America’s Jobs Centers” should be replaced with the term “local workforce development boards,” which can be defined as “the government agencies charged with regional operation of Title I of the Workforce Innovation and Opportunity Act.”
  - Section 1(B) should say, “the "youth internship opportunity program" is created in the Department of Workforce Solutions, to be administered through the local workforce development boards.”
  - Section 1(F) should say, “The department of workforce solutions or the local workforce development board shall be the employer of record for all participants who will work on-site at an approved business. The local workforce development board shall match participants with eligible businesses.”
  - Section 1(G), third sentence should say “The employer of record shall provide worker's compensation for each participant.” This would also be the appropriate place to provide that the wage could not be less than the state’s minimum wage.
  - Section 1(H) should replace “employers” with “businesses” (or host organizations).
  - Section 1(I)(1)(b) should replace “employer” with “business” (or host organization).
- The term “participant” appears to use the term “program” to have a different meaning than as defined. Suggest deleting from the definition of “participant” the phrase “and is actively enrolled in an approved program.”
- To address the concern regarding wage and hour laws, suggest revising the second sentence of Section 1(G) to say, “Businesses (or host organizations) shall submit completed timesheets and confirmation of meetings with the participant's mentor or supervisor to verify progress.”
- The appropriation section proposes to appropriate state funds from the General Fund for expenditure in FY 2025 through 2027 for this program. We are unsure if this is used intentionally to cover the stub period of FY25 in case the funds are available immediately upon the governor’s signing of the budget, or should be changed to FY26.

## **OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

n/a

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

n/a

**AMENDMENTS**

n/a