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FISCAL IMPACT REPORT

SPONSOR Miera **ORIGINAL DATE** 02/03/14
LAST UPDATED _____ **HB** 182

SHORT TITLE Move Apprenticeship Assistance Program **SB** _____

ANALYST Klundt

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY14	FY15		
		n/a	n/a

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)

SUMMARY

Synopsis of Bill

This bill transfers the functions, appropriations, money, contractual obligations and other property, powers and duties related to the Apprenticeship Assistance Act from the Instructional Support and Vocational Education Division of the Public Education Department (PED) to the Workforce Solutions Department (WSD). Additionally, this bill also changes the membership of the Apprenticeship and Advisory Committee to include:

- Two persons representing employers of members of apprenticeable trades;
- Two persons representing organized labor for members of apprenticeable trades;
- Two person employed as full-time training directors or program administrators of apprenticeship committees;
- Two persons employed by educational entities teaching or supervising preparatory instruction, supplementary instruction or related courses; and
- The State Apprenticeship Director of the Workforce Solutions Department, who shall serve as chair.

Non-voting members of the Committee shall include:

- Two persons representing the New Mexico college and university system of vocational education;
- One person representing the Office of Apprenticeship of the Employment and Training

Administration of the U.S. Department of Labor; and

- One person representing the general public who is familiar with the goals and needs of vocational-technical education.

FISCAL IMPLICATIONS

The LFC 2014 Appropriation recommendation included an increase of \$192.4 thousand from the general fund to the Labor Relations program of WSD for administration of this program in FY15.

SIGNIFICANT ISSUES

This bill moves the functions, appropriations, money, contractual obligations and other property, powers and duties related to the Apprenticeship Assistance Act from PED to WSD. The WSD currently administers the apprenticeship program. The objectives of this program are located in Section 11.23.6 NMAC:

“To help achieve, through cooperative effort, the training of apprentices in apprenticeable occupations to meet current and future needs for skilled journey worker. To help insure that this training stays abreast of technological developments and needs for national security, and to increase the job opportunities, earning ability, and security of the apprentices. In order to provide equal opportunities for all qualified applicants for apprenticeship, hereafter all apprentices shall be selected in accordance with a plan which assures equality of opportunity and which is acceptable to the state apprenticeship council and approved by the state apprenticeship agency.”

Apprenticeship usually lasts about (4) four years depending on the trade you select, but range from one to five years. During this time apprentices work under experienced workers known as journey workers, the status they will attain after successfully completing their apprenticeships. Under the journey worker's guidance, the apprentice gradually learns the mechanics of the trade and performs the work under less and less supervision. Apprentices are employees. An apprentice's pay starts out at about 45 percent to 50 percent of a journey workers' wages and increases periodically throughout the apprenticeship. Many programs are cosponsored by trade unions that offer apprentices union membership. The LFC recommendation includes funding for the apprenticeship program.

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, and promotes apprenticeship programs and the success of apprentices.

The department states that the SAA, which is housed at WSD, may seek recognition by the United States Department of Labor Office of Apprenticeship (OA) to register and oversee apprenticeship programs and agreements for federal purposes. WSD successfully carries out its SAA functions in New Mexico. 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 de-recognition 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.

According to WSD, because the agency already functions as SAA, this bill creates greater efficiencies by placing the Apprenticeship Assistance Act with WSD, and will assist in the department more effectively in serving the apprenticeship community.

ADMINISTRATIVE IMPLICATIONS

WSD states that this bill will streamline certain administration functions affecting apprenticeship in New Mexico by placing the Apprenticeship Assistance Act with the agency that has been designated by the U.S. Department of Labor as the location of the State Apprenticeship Agency.

RELATIONSHIP

This bill relates to HB 170 which appropriates \$1.5 million from the general fund to the WSD to assist high school students statewide in paying fees associated with achieving appropriate required industry certification in their chosen careers and technical education fields, which relates services provided by the Apprenticeship Assistance Act.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

According to the WSD, the administration of New Mexico apprenticeship will be fragmented, as the Apprenticeship Assistance Act will be administered by the Instructional Support and Vocational Education Division of the Public Education Department and all other apprenticeship programs will be administered by the WSD State Apprenticeship Program.

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