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FISCAL IMPACT REPORT

ORIGINAL DATE 2/11/2020

SPONSOR Trujillo LAST UPDATED _____ HJM 4

SHORT TITLE Apprenticeship Unemployment Compensation SB _____

ANALYST Bachechi

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY20	FY21	FY22	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		N/A				

(Parenthesis () Indicate Expenditure Decreases)

Relates to House Bill 57 and Senate Bill 12.

SOURCES OF INFORMATION

LFC Files

Responses Received From

Workforce Solutions Department (WSD)

SUMMARY

Synopsis of Bill

House Joint Memorial 4 request the Secretary of the Workforce Solutions Department to convene a working group of representatives from WSD, the join apprenticeship training committee and the building trades unions to discuss unemployment compensation during training periods of apprenticeship-related instruction.

SIGNIFICANT ISSUES

Apprentices are paid for time on the job when they are actually working, but are not typically paid for attending related technical instruction (RTI) or classroom instruction. The lack of compensation and ineligibility for unemployment benefits causes some participants in apprenticeship-related instruction programs to miss training sessions or drop out of the program entirely.

Two bills presented this session, SB12 and HB57, proposed the addition of a new Subsection F to 51-1-5 NMSA 1978 that would allow individuals who are receiving unpaid apprenticeship-related instruction (pursuant to the Apprenticeship Assistance Act) to receive unemployment benefits.

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WSD identified several technical issues with implementing the proposed changes. While not opposed to providing unemployment benefits to individuals in unpaid apprenticeship-related instruction, WSD noted that if not carefully drafted, the provisions could potentially result in findings of overpayment or even fraud.

WSD supports the convening of working group to ensure that any amendments to the UI benefits provisions are carefully crafted so as not to cause more harm than good.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB12 and HB57 both propose the addition of a new Subsection F to 51-1-5 NMSA 1978 that would allow individuals who are receiving unpaid apprenticeship-related instruction (pursuant to the Apprenticeship Assistance Act) to receive unemployment benefits.

CLB/sb