

LFC Requester:	Jorgensen
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AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

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(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: 14 February 2025 *Check all that apply:*
Bill Number: HB272 Original Correction
 Amendment Substitute

Sponsor: Brown, Montoya **Agency Name and Code** NM Independent Community Colleges 994
Short Title: Trade Education Assistance Act **Person Writing** Vanessa K. Hawker
Title: _____ **Phone:** _____ **Email** vhawker@hawkerhynson.com

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY25	FY26		
\$100,000.0		NR	GF

(Parenthesis () indicate expenditure decreases)

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: House Bill 272 (HB272) creates the trade education assistance act and the trade education assistance fund. HB272 provides a stipend may be awarded to an individual if the individual is:

- a New Mexico resident;
- has earned at least a high school diploma or equivalent at least two year prior to receiving a stipend;
- has not earned a bachelor's degree;
- is participating in a trade education program;
- claims at least one dependent on the individual's tax return and is not claimed by another on their tax return;
- has complied with any trade education assistance act rules established by the higher education department.

The stipends:

- shall be for no longer than 6 months;
- can be renewed for up to 2 years;
- may be terminated if the individual is not satisfactorily participating in a trade education program;
- shall not exceed \$30 thousand per calendar year.

The higher education department is charged with administering the trade educational assistance act, promulgating rules to implement the act, and report to the legislative finance committee and the department of finance and administration on the program.

A ‘trade education program’ is defined as a higher education department approved program that trains individuals to qualify for licenses or certificates of competency issued pursuant to the construction industry licensing act. The construction industry commission oversees the following bureaus: electrical, general building, LP gas, mechanical plumbing, and recycled metals.

HB272 appropriates \$100 million from the general fund to the trade education assistance fund for expenditure in FY2026 and subsequent fiscal years. Any unexpended or unencumbered funds shall not revert.

FISCAL IMPLICATIONS

HB272 appropriates \$100 million from the general fund to the trade education assistance fund. Any unexpended or unencumbered balances shall not revert but shall remain in the trade education assistance fund.

SIGNIFICANT ISSUES

According to the January 2024 legislative finance committee report “Policy Spotlight: Escalating Costs of Public Construction” New Mexico needs at least 2 thousand more construction workers to meet current demand – in fact the unemployment rate for construction workers has remained low while wages have increased. From the report -

The state likely needs several thousand additional construction workers to meet demand. The Associated Builders and Contractors estimated the United States needed an additional 546 thousand construction workers, on top of normal seasonal hiring, to meet national demand for construction in 2023. Based on New Mexico’s share of the national construction labor force in 2023, the state needed approximately 3,600 additional workers in addition to seasonal hiring.... From January to November 2023, the state added 3,200 workers, 2,000 less than the estimated need. Given that New Mexico has seen some of the largest growth in construction spending among states, this rough estimate likely underestimates the scope of the labor shortage in New Mexico.

Through 2032, the department of workforce solutions projects New Mexico will annually have job openings for construction laborers and will annually have 590 job openings for electricians.

HB272 is designed to assist nontraditional students to succeed in obtaining a recognized license or certificate of competence issued pursuant to the construction industries licensing act. The

National Center for Education Statistics at the U.S. Department of Education defines nontraditional students as students who:

- are over 24
- did not enroll in post-secondary education immediately after high school
- attend part-time for some portion of the academic year
- are financially independent
- have family obligations
- do not live on-campus

Though New Mexico has provided means for nontraditional students to obtain tuition and fee assistance via the Opportunity Scholarship and the workforce education pilot program funded with NM-GRO revenues, many nontraditional students are face with a difficult choice – can they afford to forgo work to attend a training program? The stipend program created by HB272 will provide much needed assistance to nontraditional students seeking to obtain a credential in a construction field.

The following table displays wage information for selected construction jobs in New Mexico.

Occupation	Median Hourly Wage	Mean Hourly Wage	Annual Mean Wage
Brick masons & block masons	\$22.57	\$25.06	\$52,120
Carpenters	\$22.59	\$23.62	\$49,130
Carpet Installers	\$15.75	\$16.14	\$33,580
Tile & stone setters	\$18.29	\$19.47	\$40,490
Construction laborers	\$17.92	\$19.04	\$39,610
Operating engineers & other construction equipment operators	\$22.80	\$24.16	\$50,250
Drywall & ceiling tile installers	\$24.15	\$24.51	\$50,990
Electricians	\$26.92	\$28.31	\$58,880
Plumbers, pipefitters & steamfitters	\$24.48	\$26.65	\$55,430
Roofers	\$20.14	\$20.35	\$42,320
Structural iron & steel workers	\$35.44	\$32.91	\$68,450

Source: U.S. Bureau of Labor Statistics, New Mexico May 2023

Santa Fe Community College recently piloted a guaranteed income program through the University of Pennsylvania. The data shows a statistically significant increase in student completion for those students who received the stipend.

HB272 will provide significant support to our nontraditional students, allowing more nontraditional students to complete their community colleges trades education programs. This in turn will help meet New Mexico’s need for more construction trade employees.

OTHER SUBSTANTIVE ISSUES

Though the higher education department is charged with overseeing the trade assistance awards, it is unclear if the awards are limited to students attending New Mexico’s public post-secondary institutions.