

LFC Requester:

Sunny Liu

AGENCY BILL ANALYSIS - 2025 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO

AgencyAnalysis.nmlegis.gov and email to 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 2/21/25 *Check all that apply:*
Bill Number: HB0560 Original Correction
 Amendment Substitute

Sponsor: Jack Chatfield **Agency Name and Code** Dept. of Workforce Solutions-631
Person Writing Analysis: Sarita Nair
Short Title: Workforce Readiness Programs **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 | General Fund |
| | | | |

(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 |
|--------------|------|------|------|-------------------|---------------------------|---------------|
| Total | \$75 | \$75 | \$75 | \$225 | Nonrecurring | General Fund |

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE

BILL SUMMARY

Synopsis: Specifies students' workforce readiness pathway options under the state's high school graduation requirements as a certification program aligned with the state's high workforce demand fields, including health care, technology, skilled trades and renewable energy; dual credit enrollment; an apprenticeship program or employment with a local employer that has established a partnership with the student's school; and on-the-job training and mentorship. Requires every high school to develop an apprenticeship program. Requires schools that will offer a workforce readiness program to develop it in collaboration with the Department of Workforce Solutions (DWS) to ensure alignment with high labor demands and local market needs. Requires schools to improve student engagement through specific career pathways, learning plans, and workforce readiness programs incentives. Requires the Public Education Department (PED) to develop a comprehensive attendance improvement and monitoring plan that includes tutoring, mentoring, family engagement, flexible scheduling and virtual learning for workforce readiness pathways participants, and engagement of employers and community organizations to support students' workforce-related learning activities. Requires PED, in collaboration with DWS, to evaluate the workforce readiness programs for effectiveness, including the number of certifications, dual credit course or apprenticeship completers, the post-graduation employment rate of workforce readiness program participants, and the programs' impact on student attendance and engagement rates. Requires PED to submit an annual report to the legislature on the workforce readiness programs in their progress and effectiveness. Appropriates \$20 million to be spent starting in FY 2026.

FISCAL IMPLICATIONS

In any of the years of this bill's implementation, DWS would need to dedicate a portion of time from one Employment Services staff person and one staff person from either the State Apprenticeship Office or pre-apprenticeship program of the Employment Services Division, totaling approximately \$75,000. Because DWS administers apprenticeship and pre-apprenticeship programs, the department would be responsible for helping develop, approving, administering, and monitoring these programs in all 221 public high school in the state. The same DWS staff would also be responsible for annually determining the effectiveness of these programs and calculating their number of completers as part of DWS' required collaboration with PED in developing the annual evaluation. Under the bill, DWS Employment Services staff would be required to support PED with engaging employers for all students in workforce-related learning activities and would need to help evaluate the success of the workforce readiness programs and calculate the number of students who completed a certification annually as part of its required collaboration with PED on the annual evaluation. Because the appropriation listed is for the programs, \$75,000 could be appropriated directly into DWS' budget to fund its role in administering and reporting on the program.

SIGNIFICANT ISSUES

Section 3.B. of the bill requires all high schools to develop an apprenticeship program, but the bill does not specify in that section nor in the definition of "apprenticeship" in Section 2.A. that the program be a registered apprenticeship program in the state administered by DWS, as authorized

by state laws. Interpreting it to mean registered apprenticeship programs would entail a significant expansion of those programs and the associated responsibilities of DWS staff and the State Apprenticeship Council. As defined in Section 2.A, “apprenticeship” does not include employment, a credential upon completion, or a progressive wage, which differs from the commonly understood definition of a registered apprenticeship program and instead more closely resembles a pre-apprenticeship program, which DWS also administers. A similar expansion of DWS responsibilities would result from this provision if the bill’s requirement of the development of an “apprenticeship” program means a “pre-apprenticeship” program.

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

See “Significant Issues”

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS