

LFC Requester:**Rachel Mercer-Garcia****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 1/22/24 *Check all that apply:*
Bill Number: SB24 Original Correction
 Amendment Substitute

Sponsor: Padilla, Michael and Joy Garratt **Agency Name**
Apprenticeship and Training Program **and Code** Dept. of Workforce Solutions-631
Short Title: Apprenticeship and Training Program **Number:** _____
Person Writing Sarita Nair
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		
0	0		

(Parenthesis () indicate expenditure decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		
TBD	TBD	TBD	NR	Public Works Apprenticeship & Training Fund

(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	25.0	0	0	25.0	NR	PWAT

(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: SB24 would amend the Public Works Apprenticeship and Training Act (PWAT) by removing the exceptions for street, highway, bridge, road, utility, or maintenance contracts. The effect of these changes is to impose on those projects the requirement for employers to participate in training or to contribute to the apprenticeship and training fund that is administered by DWS.

FISCAL IMPLICATIONS

Under the Public Works Apprenticeship and Training Act (PWAT), employers who are engaged in public works construction projects are required to either sponsor apprenticeships or make a contribution based on the wages of employees to the Public Works Apprenticeship and Training Fund, which DWS administers. This proposed legislation would remove the current exemption for employers who are working on projects that solely fall under “Type A: Street Highway, Utility, and Light Engineering,” thereby expanding the number of employees and construction projects that would be required to contribute to PWAT. In turn, this would result in some combination of additional apprenticeships and additional funding for PWAT, which would then be distributed to eligible apprenticeship program sponsors.

At this time, DWS is unable to estimate the additional revenue that would result from this bill but is continuing to work on developing an estimate. In the 2023 analysis for a similar bill, DOT reported 1.8 million labor hours in FY21 and 1.6 million labor hours in FY22, resulting in approximately \$983,000-\$1.1 million in revenue to PWAT from federal projects. Those estimates predated the significant investments the State and federal government have made in roads, so these estimates likely need to be revised.

DWS would need to add functionality to its electronic PWAT management system, to enable “Type A projects” to make payments into the online system for public works projects. DWS can use its administrative share of additional funds for this purpose, estimated as a one-time cost of \$25 thousand.

SIGNIFICANT ISSUES

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

Last year, Governor Michelle Lujan Grisham issued Executive Order 2024-152, requiring state agencies to collaborate on developing the climate-ready infrastructure workforce and setting a goal of training 2,000 workers in climate-ready professions by the end of 2026. This EO includes transportation construction industries, and DWS has identified construction and infrastructure development as priority sectors for workforce development. While this bill would result in additional expenditures, those expenditures would go towards developing apprenticeships designed to fill gaps in the workforce that these projects need to be successful.

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Transportation and utility projects would continue to be excluded from PWAT.

AMENDMENTS