

# New Mexico Economic Development Department

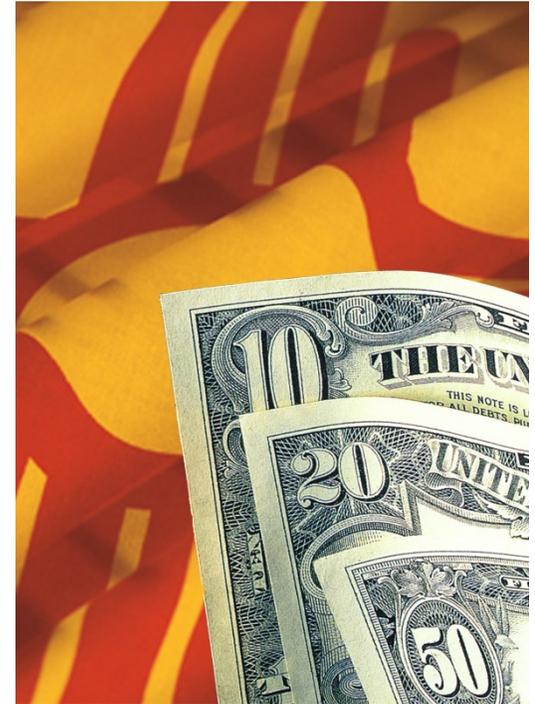
## Job Training Incentive Program **JTIP**

FY 2021



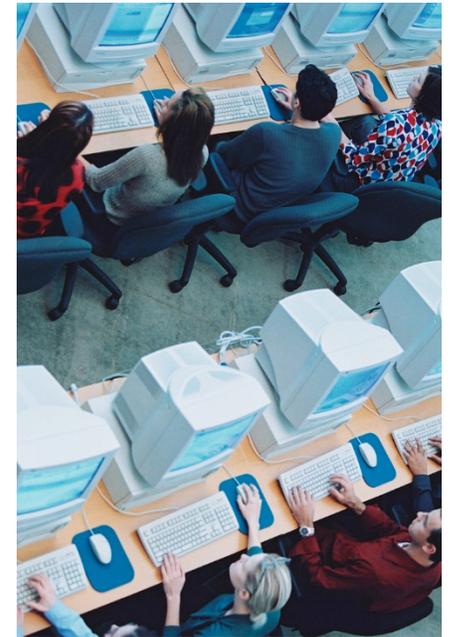
# JTIP Goals

- Support growth of economic base businesses in New Mexico
- Assist in job creation
- Provide employment and skill development opportunities for New Mexico residents



# How does JTIP benefit companies?

- JTIP reimburses qualified companies for a portion of expenses associated with training new employees in newly created jobs.
  - Wages
  - Customized training at New Mexico educational institutions
- JTIP eligibility opens up eligibility for the High Wage Job and Rural Job tax credits.



# What is the Reimbursement amount?

- Base wage reimbursement percentages range from 50% to 75%, depending on the business location, and trainee residency.
- The number of training hours reimbursed are determined by the complexity of the job and the wage, and range from 320 to 1040 hours (two-six months).
  - Training hours are initial hours on the job as the trainee becomes proficient in his/her job.



# Base Wage Reimbursement Percentage

Urban Albuquerque, Las Cruces, Los Alamos, Rio Rancho and Santa Fe	50%
Rural < 60,000	65%
Frontier <ul style="list-style-type: none"> <li>▪ Population &lt;15,000 outside MSA</li> </ul> Economically disadvantaged <ul style="list-style-type: none"> <li>▪ High unemployment</li> </ul> Tribal Land Federally designated Colonias in New Mexico	75%
Additional reimbursement for wages that align with the High Wage Jobs Tax Credit	5%
*Additional reimbursement for one of the following: <ul style="list-style-type: none"> <li>▪ Recent graduate from New Mexico institution of higher education</li> <li>▪ U.S. Veterans</li> <li>▪ Graduate from New Mexico Foster Care System</li> </ul>	5%
The percentage of wages reimbursed for high-wage positions filled by trainees who do not meet the one year residency requirement is unique and not subject to any additional wage reimbursement above the standard rate.	30% Urban 40% Rural 50% Frontier

# O\*NET Job Zones

Job Zone	Definitions	Hours	Min. Wage @ Hiring-Urban	Min. Wage @ Hiring-Rural	Days	Weeks
1	Little or no preparation needed	320	12.50	10.63	40	8
2a	Some preparation needed	480	14.00	11.13	60	12
2	Some preparation needed	640	15.50	11.63	80	16
3a	Medium preparation	800	17.00	13.13	100	20
3	Medium preparation	960	18.50	14.13	120	24
4	Considerable preparation needed	1040	21.50	15.13	130	26
	Align with High Wage Jobs Tax Credit		28.85	19.23	130	26

# What types of businesses are eligible?

- Businesses which increase the economic base of the state:
  - Manufacturers
  - Business service providers with at least 50% income from customers out of state
  - Certain “green” businesses



# Qualified Businesses Must be Expanding

- Expanding businesses include:
  - Companies relocating to New Mexico
  - Existing companies which are at or above two-year employment average and adding new jobs
  - Start-Ups



# Qualified Businesses Must be Financially Viable

- Three years' financials (Balance Sheet, P&L, Statement of Cash Flow, Term Sheets, Sales Projections)
- Start-Ups and Early-Stage Manufacturers
  - Must demonstrate sufficient working capital to cover burn rate for 2-3 years.
  - May be in transition from R&D to commercialization
  - Additional financial documentation will be requested
    - Business Plan, pro forma financials
    - Actual Financials available to date
    - Sales projections
    - Evidence of signed contracts or PO's
    - Evidence of access to capital
      - Letters of intent, term sheets—investors
      - Line of Credit

# What types of businesses are not eligible?

Businesses which are not economic-base or are not classified as “green industries” are not eligible. These include but are not limited to:

- Traditional Agriculture/Farming
- Construction
- Extractive Industries
- Gambling
- Health Care
- Hotels
- Restaurants
- Retail

# What types of jobs qualify?

- Full-time, year-round newly created jobs, at least 32 hours/week.
- Jobs which directly relate to production (manufacturers) or the delivery of the service (business service providers).
  - Manufacturing examples: laborer, team assembler, first-line supervisor, production manager, shipping & receiving.
  - Service Providers: customer service representative, software engineer, engineering technician.
- Intern positions may be eligible.



# Intern Positions

- Students enrolled in a post-secondary academic or training program, or post-graduates within one year of graduation.
- Intern positions must be relevant to trainee's course of study.
- May be part-time—less than 32 hours/week.
- Company may be reimbursed a portion of Intern wages, up to 640 training hours.
- Company receives reimbursement upon offer of a full-time, year-round regular position.
- If Intern will occupy a newly-created position, the company may apply for JTIP for the position into which the Intern will transition.

# Apprentice Positions

- Individuals who have been employed temporarily in a position classified as an apprentice in order to gain practical training in a work based program through the New Mexico Department of Workforce Solutions may be eligible.

# What types of jobs qualify?

- One in every 5 production or service positions applied for may be “non-production,” i.e. administrative.
- Rural companies with fewer than 20 employees may include production-related jobs claimed on previous JTIP projects in the calculation when applying for non-production jobs on subsequent applications.
  - Examples: sales, accountant, human resources director, receptionist, IT

# What are the requirements for trainees?



- Must be new hires to the company.
- Must reside in New Mexico.
- Must have lived in New Mexico for one continuous year at any time in their lives.
  - The one year residency requirement may not apply to a trainee hired into an approved high-wage position provided the trainee meets all other eligibility requirements and moved to New Mexico with the intent of making New Mexico his/her permanent place of residence prior to beginning work with the participating employer.
    - Reimbursement rate will be determined by company location: 30% urban, 40% rural and 50% frontier
  - Must not have dropped out of high school in the 3 months prior to being hired.

# Training at NM Educational Institutions

- Requires separate JTIP contract.
- Customized training only.
- Minimum of three JTIP participants.
- Must occur within JTIP reimbursement period.
- Up to \$1,000 reimbursement per participant.



# Program Implementation

- JTIP Staff at NM EDD

- Assists companies in preparing proposals.
- Presents companies to JTIP Board for approval.
- Administers program once funding is approved.

- JTIP Board

- Establishes program policy.
- Reviews and votes on funding requests on a monthly basis.
- Assures funds are expended in accordance with New Mexico law.



# What is the application process?

- Meet with JTIP staff to confirm eligibility, review program guidelines and plan application timeline.
- Complete online application one month before board meeting.
- Attend board meeting.



# What happens after Board approval?

- Companies may begin hiring upon board approval and have six months to fill the approved jobs.
- Training must be completed within one year of board approval.
- Companies may submit claims for reimbursement as training hours are completed.
- Reimbursements are cash.
- There is no cap. Companies may re-apply for JTIP as long as they continue to meet eligibility and expansion requirements.
- JTIP staff works with the company throughout the project year to facilitate a successful JTIP project.

# For additional information:

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