

PROGRAM: New Mexico Job Training Incentive Program (JTIP) **Top Incentive**

AGENCY: New Mexico Economic Development Department (EDD), Programs/Research Team

DESCRIPTION: JTIP is a cooperative effort of the Economic Development Department, the Department of Education, the Governor's Office of Workforce Training & Development and the Commission on Higher Education. JTIP provides funds for classroom or on-the-job training to prepare New Mexico residents for employment in qualified businesses which are expanding in or relocating to New Mexico.

ELIGIBLE USES:

- Training may be tailored to the needs of the business and is usually provided in one of three ways,
 - Classroom training provided by a public educational institution;
 - Training conducted at the business facility, involving "hands-on" skill development customized to develop unique skills essential to the business; and
 - A combination of on-the-job and/or classroom training. Classroom training may be conducted at an educational institution. "Hands-on" training is conducted at the business facility.
- Trainees must be guaranteed full-time employment upon successful completion of training.

PROGRAM/LOAN STRUCTURE:

- Maximum Program Benefits: Trainee wages are reimbursed to the business at the following rates during the training period:
 - 50% in Albuquerque, Rio Rancho, Santa Fe, Los Alamos and Las Cruces;
 - 60% in rural New Mexico (rural is defined as outside the city limits of Albuquerque, Rio Rancho, Santa Fe, Los Alamos and Las Cruces). These are municipalities with populations of more than 15,000, but less than 40,000 people outside an MSA.
 - 75% for a small business in an economically distressed area of New Mexico (distressed area is defined as Cibola, Mora, Guadalupe, Rio Arriba, Luna, San Miguel, McKinley and Taos counties).
 - 75% for a business established on Native American Land
 - Customized training at community colleges is capped at \$1,000 per trainee earning up to \$35/ hour
 - Eligible training hours are determined by the position classification in O*Net (Department of Labor) up to a maximum of 1,040 hours per trainee based on a 40 hour business work-week.
 - Also changed in 2006, positions that pay under \$8 an hour in an urban area is limited to 160 hours of reimbursement. Businesses with positions paying under \$7.50 in rural areas are limited to 160 hours of reimbursement as well.
- Trainee travel and per diem are reimbursed at the wage reimbursement percentage if the trainees are sent to another plant location to train. This provision is negotiable. Instructional costs involving classroom training will be reimbursed to the educational institution at 100% of all costs outlined in the training contract.
- Costs may include instructional salaries, fringe benefits, supplies and materials, textbooks, expendable tools and other costs associated with conducting the training. All costs must be necessary and reasonable.

General Guideline for Duration of Reimbursable Training Time/Wages							
Job Zone	Definitions	SVP Range/Conversions	Hours	Min. Wage @ Hiring - Urban	Min. Wage @ Hiring - Rural	Days	Weeks
1	Little or no preparation needed	Below 4.0	160	Below 8.00	Below 7.50	20	4
1a	Little or no preparation needed	Below 4.0	320	8.00	7.50	40	8
2	Some preparation needed	4.0 to < 6.0	480	10.50	8.25	60	12
2a	Some preparation needed	4.0 to < 6.0	640	12.00	9.00	80	16
3	Medium preparation	6.0 to < 7.0	960	15.00	11.00	120	24
4	Considerable preparation needed	7.0 to < 8.0	1040	18.00	13.00	130	26
	Align with HWJTC	Additional 5%	1040	19.25	13.50	130	26

QUALIFICATION CRITERIA/COMMENTS:

- New or expanding businesses manufacturing or producing a product in New Mexico are eligible.
- Under some circumstances, assistance may be provided to non-retail service sector businesses, determined by the extent the service will be exported to other states or will reduce the need for importing a service to New Mexico.
- Trainees must be of legal working status and must have resided in New Mexico for at least one year immediately prior to participating in the program. Trainees shall not have terminated a public high school program within the past three months except by graduation and must be eligible under the Fair Labor Standards Act.
- As of 2006:
 - JTIP has instated a recapture provision so that if a facility which has received funds closes, the company must refund any training funds claimed for trainees who completed training within six months prior to the closure.
 - Promotions are allowed while employees are training, and
 - Pre-hires are no longer allowed.

For more information, contact Therese Varela therese.varela@state.nm.us , or visit the JTIP page at <http://ww1.edd.state.nm.us/index.php?/business/C48/> .