New Mexico Economic Development Department

Job Training Incentive Program JTIP
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?

- Wage reimbursement percentages range from 50% to 75%, depending on the business location.
- 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.
## Wage Reimbursement Percentage

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Urban</td>
<td>50%</td>
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<tr>
<td>Albuquerque, Las Cruces, Los Alamos, Rio Rancho and Santa Fe</td>
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<tr>
<td>Rural &lt; 60,000</td>
<td>65%</td>
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<tr>
<td>Frontier</td>
<td>75%</td>
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<tr>
<td>Population &lt;15,000 outside MSA</td>
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<tr>
<td>Economically disadvantaged</td>
<td></td>
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<tr>
<td>High unemployment</td>
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<tr>
<td>Tribal Land</td>
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<tr>
<td>Federally designated Colonias in New Mexico</td>
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<tr>
<td>Additional reimbursement for wages that align with the High Wage Jobs Tax Credit</td>
<td>5%</td>
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<tr>
<td>Additional reimbursement for one of the following:</td>
<td>5%</td>
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<tr>
<td>Utilization of WorkKeys® in recruitment/hiring process</td>
<td></td>
</tr>
<tr>
<td>Recent graduate from New Mexico institution of higher education</td>
<td></td>
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<tr>
<td>U.S. Veterans</td>
<td></td>
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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:

- Agriculture
- 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.
- One in every 5 production or service positions applied for may be “non-production,” i.e. administrative.
  - 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.
JTIP and Mainstreet

- Manufacturers
  - Breweries, Distilleries and Wineries
  - Food processing and production

- Non-retail service providers
  - Software Developers
  - Engineering Services
  - High-Tech

- Green Businesses
  - Businesses that exist for the sole purpose of contributing directly to preserving or enhancing environmental quality.
    - Energy system retrofits; production/distribution of biofuels and vehicle retrofits for biofuels; building, design or construction for energy and environmental design standards; organic and community food production; solar technology installation/maintenance; recycling/composting and large-scale reuse
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?

- Consult 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:

Sara Gutierrez  
JTIP Program Manager  
(505) 827-0249  
sara.gutierrez@state.nm.us

Patrick Gannon  
JTIP Marketing Coordinator  
505-827-2162  
patrick.gannon@state.nm.us

Tanya Ortiz  
JTIP Fiscal Administrator  
(505) 827-1699  
tanya.ortiz@state.nm.us