Job Training Incentive Program (JTIP) Overview
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Whether a business is expanding or relocating within New Mexico, and whether it is a small rural or a very large urban company, one of the key challenges is to find and develop new local employees who will add value to the business. Recently, the state’s Job Training Incentive Program approved $114,620 in funding for four companies. The money will be used to send employees to specific training programs as well as train six new employees with an average wage of $26.03. IDEUM, Inc., a Corrales-based company that designs interactive computer-based exhibits and multi touch installations, was alone approved $104,065.44 for the training of five new employees. (Please see the New Mexico Area Economic Activity section of the Labor Market Review for the most up-to-date approvals from JTIP.)

The New Mexico Legislature created the Job Training Incentive Program (JTIP), formerly known as the Industrial Development Training Program or “in-plant training,” in 1972. Since then, JTIP has supported the creation of 51,000 jobs for New Mexicans in more than 1,000 businesses across the state. The program is administered by the New Mexico Economic Development Department (NMEDD) with cooperation from the New Mexico Department of Workforce Solutions (NMDWS), the Higher Education Department and the Public Education Department. In addition to these, the JTIP Board includes representatives from business and organized labor.

JTIP supports economic development in New Mexico by reimbursing qualified companies expanding in or relocating to New Mexico for a significant portion of training costs associated with new jobs. The program funds classroom and on-the-job training for up to six months. It also can reimburse trainee wages during that time. The reimbursement can amount to anywhere between 40 and 75 percent of total wages. Through this support, the program strengthens New Mexico’s economy by providing financial incentives to companies that create local, economic-based jobs. In addition, the JTIP-funded training elevates the skill level of the New Mexico residents who fill funded positions.

Eligibility
To be eligible for JTIP, a company must either manufacture a product in New Mexico or provide a non-retail service to customers, with a minimum of 50 percent of revenue coming from a customer base outside the state of New Mexico. These requirements may be lifted for companies that meet the JTIP criteria for green industries. Financial strength is also a consideration in funding decisions.

Jobs eligible for funding through JTIP must be newly created, full time (32 hours per week or more) and year round. Trainees must be guaranteed full-time employment with the company upon completion of the training program. The job must be directly related to the creation of the product or service provided by the company; when a number of jobs are included in a proposal, however, 10 percent do not necessarily have to be directly related to production. Jobs must also meet a wage requirement. The entry level wage requirements for JTIP eligibility are outlined below and specified in the table.

To be eligible, trainees must be new hires and residents of New Mexico for at least one continuous year prior to the time of employment. They must also be currently domicile in New Mexico (a permanent resident) during employment and must be of legal status for employment. Trainees must not have left a public school program in the three months prior to employment, unless they graduated or completed a GED. Student interns who have worked for the company for a limited period as part of a formal education program may be considered for JTIP positions. For further details on eligibility please refer to the JTIP policy/procedures manual, which is available online at http://www.nmpartnership.com/uploads/files/JTIP-PolicyGuide.pdf.

Wage Reimbursement
Expenses eligible for reimbursement through JTIP fall under either trainee wages or the cost of training. Here we will focus on trainee wages, since these are usually the largest expenses associated with training and also the focal contribution to JTIP decisions, through wage eligibility research, by the NMDWS Economic Research & Analysis Bureau (ER&A). For an eligible proposal, a percentage of trainee wages may be reimbursed for up to six months of initial training. To attract the best candidates and reduce turnover, companies are encouraged to set wages at levels eligible for the High Wage Job Tax Credit. These levels are $40,000 in a municipality with a population of 40,000 or more as of the
last decennial census and $28,000 in other locations. Information on this incentive for job creation is available at the New Mexico Taxation and Revenue website www.tax.nm.us.

The board has adopted a wage reimbursement requirement for JTIP participation, which varies by job zone and company location. In terms of company location, companies in urban locations, such as Albuquerque, Roswell, and Class A counties such as Los Alamos, are reimbursed up to 40 percent. Companies located in rural areas are reimbursed at up to 65 percent. Companies located in frontier areas are reimbursed up to 75 percent. This latter classification includes communities with populations of 15,000 or less, Native American reservations, and economically distressed areas. The minimum wage at hiring, for both urban and rural companies, by job zone can be seen in the table below.

If a company establishes a wage range which includes wages below the minimum wage recommended for that position and job zone, the number of hours eligible for reimbursement may be reduced from the O*NET (Occupational Information Network) recommended hours. Generally, the hours are reduced to the hours allowed for the next lower job zone. Reimbursement is calculated on base pay only and occurs only after successful completion of the training.

The number of hours eligible for reimbursement varies by position, and cannot exceed 1,040 hours (or six months). This is based on the O*NET job zone classification for the O*NET position that most closely matches the company’s job description and the wage paid to the trainee at point of hire. The O*NET system, sponsored by the Department of Labor, is available at http://onetcenter.org.