

# **JTIP**

**JOB TRAINING INCENTIVE PROGRAM**

**POLICY/PROCEDURES MANUAL**

**Fiscal Year 2008**

# POLICY/PROCEDURES MANUAL CONTENTS

JOB TRAINING INCENTIVE PROGRAM OVERVIEW.....	3
Company Eligibility.....	3
Job Eligibility .....	3
Trainee Eligibility.....	3
Reimbursable Training Costs.....	4
Program Management and Administration.....	4
QUALIFICATIONS AND REQUIREMENTS .....	4
Company Qualifications and Requirements.....	4
Position Qualifications and Requirements .....	6
Trainee Qualifications and Requirements .....	6
ELIGIBLE TRAINING PROGRAMS.....	7
On-The-Job Training.....	7
Custom Training Provided by a NM Post-Secondary Public Educational Institution.....	7
REIMBURSABLE EXPENSES .....	8
Wage Reimbursement .....	8
Reimbursement for Classroom Training .....	10
Travel Cost and Per Diem Reimbursement for Trainees and Trainers .....	10
REQUIREMENTS FOR FUNDING REQUESTS .....	10
PROCEDURAL OVERVIEW.....	11
AMENDMENTS .....	12
CONTACTING JTIP STAFF .....	12
GLOSSARY .....	13

## **Job Training Incentive Program Overview**

The Job Training Incentive Program (JTIP) supports economic development in New Mexico by reimbursing qualified companies for a significant portion of training costs associated with newly created jobs. The JTIP program, formerly known as the Industrial Training Development Program or “in plant training,” strengthens New Mexico’s economy by providing financial incentives to companies that create new economic-based jobs in New Mexico. Training funded by JTIP also elevates the skill level of the New Mexico residents who fill funded positions. Since the program’s inception in 1972, more than 800 companies and 40,000 New Mexico workers have benefited from the program.

Eligibility for JTIP funds depends on the company’s business, the role of the newly created positions in that business, and the trainees themselves. Eligibility requirements, which are highlighted below, are explained in more detail in the body of this manual. Reference can also be made to the enabling legislation (Section 21-19-7, NMSA 1978 § and subsequent amendments).

### **Company Eligibility**

Two categories of companies are eligible to be considered for JTIP funds. The first category is companies which manufacture a product in New Mexico. Renewable power generators and film post-production companies are eligible under the manufacturing category. The second is companies which provide a non-retail service to customers, with a minimum of 50% of revenue coming from a customer base outside the State of New Mexico. To be considered for JTIP, non-retail service companies must export a service rather than import a customer.

The company must be creating new jobs as a result of expansion, startup, or relocation to the State of New Mexico. Companies that have been funded previously by JTIP must have at least as many total employees as when they last expanded under JTIP. For a more complete explanation of expansion requirements, refer to “Company Qualifications and Requirements” on page 4.

Financial strength is also a consideration in funding decisions. The company should be financially stable to ensure long-term employment for JTIP participants.

### **Job Eligibility**

Jobs eligible for funding through JTIP must be newly created jobs, full-time (minimum of 32 hours/week), and year-round. Trainees must be guaranteed full-time employment with the company upon successful completion of the training program. Eligible positions include those directly related to the creation of the product or service provided by the company to its customers. In addition, other newly created jobs not directly related to production may be eligible. The number of these jobs is limited to 10% of the total number of jobs applied for in the proposal.

Jobs must also meet a wage requirement to be eligible for funding. The entry level wage requirements for JTIP eligibility are specified in the chart on page 9. For contract-based call centers, the positions must meet or exceed at least 90% of the county median wage to qualify in urban locations and \$8/hour in rural locations. To attract the best candidates and reduce turnover, companies are encouraged to set wages at levels eligible for the High Wage Job Tax Credit. An additional incentive is offered for these jobs.

In urban areas, companies which apply for more than 20 positions must offer health insurance coverage to employees and their dependents and pay at least 50% of the premium for employees who elect coverage.

### **Trainee Eligibility**

To be eligible for JTIP, trainees must be new hires to the company, must have been residents of the State of New Mexico for at least one continuous year at any time prior to employment in an eligible position, must be currently domiciled in New Mexico (domicile is your permanent home; it is a place to which a person returns after a temporary absence), 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.

## **Reimbursable Training Costs**

Training funded through JTIP can be custom classroom training at a New Mexico post-secondary public educational institution, structured on-the-job training at the company (OJT), or a combination of the two. Training should be customized to the specific needs of the company and provide “quick response” training for employees.

The following expenses are eligible for reimbursement through JTIP:

- A significant portion of trainee wages (50% - 75% for up to six months of initial training).
- A significant portion of the cost of providing customized classroom training at a New Mexico post-secondary public educational institution.
- A portion of approved travel expenses (50% - 75%) with a cap of 5% of total funding for wages.

Positions which meet the JTIP requirements and meet the criteria of the High Wage Job Tax Credit are eligible for an additional 5% wage reimbursement above the standard rates.

If a company is participating in other job reimbursement training programs, the combined reimbursement to the company may not exceed 100%.

## **Program Management and Administration**

General management of the Job Training Incentive Program is the responsibility of the Job Training Incentive Program Board as prescribed by governing legislation (Section 21-19-7, NMSA 1978 § and Subsequent Amendments). The board is responsible for establishing policies and guidelines related to the program’s management and operation. The board has adopted this policy manual to ensure the program supports the development of New Mexico’s economy as intended by the governing legislation. Policies and procedures for the New Mexico enhanced skilled training program, STEP UP, are outlined in a separate document.

The JTIP Board meets the second Friday of every month to consider proposals for funding. The third Friday of the month serves as an alternate date when required.

Administration of the Job Training Incentive Program is the responsibility of the JTIP staff in the New Mexico Economic Development Department. One copy of a proposal for funding is due to the JTIP staff one month before the board meeting at which the proposal will be considered. Once staff has reviewed the proposal for accuracy and completeness, ten copies will be requested for distribution to the board approximately two weeks prior to the meeting.

## **Qualifications and Requirements**

### **Company Qualifications and Requirements**

The following requirements have been instituted to ensure that companies applying for JTIP funds meet the qualifications established by legislation.

1. Two categories of companies are eligible to be considered for JTIP funds. The first category is companies which manufacture a product in New Mexico. Renewable power generators and film post-production companies are eligible under the manufacturing category. The second is companies which provide a non-retail service to customers, with a minimum of 50% of revenue coming from a customer base outside the State of New Mexico. Non-retail service businesses are only eligible when they export a product or service rather than import a customer. Service companies which contract with government agencies outside the state may be considered provided they can demonstrate that they are bringing new revenues and new jobs into the state through contracts which support national or multi-state entities. JTIP will not consider contractors which rely on income that is already in the State of New Mexico.

One category of non-retail service providers is customer support centers. To be eligible for JTIP funding, the customer support center must service a customer who is not physically present at the facility, with a minimum of 50% of revenue coming from a customer base outside the State of

New Mexico. The customer support center must have a facility separate from other business operations (for example, a retail store). Positions which require outbound sales, solicitation, or telemarketing are not eligible for JTIP funds. For contract-based call centers, the positions must meet or exceed at least 90% of the county median wage to qualify in urban locations and \$8/hour in rural locations.

Businesses which are not eligible include but are not limited to retail, construction, mining, health care, casinos, and tourism-based businesses (hotels, restaurants, etc.). A company whose employees are compensated solely on piecework is also not eligible. The board uses the North American Industry Classification System (NAICS) as a general guideline to establish industry classification.

2. The company must be creating new jobs, whether due to expansion in New Mexico or relocation to the State of New Mexico. Start-up companies are also eligible.

An expanding company is defined as an existing business which requires additional employees or workforce due to a market or product expansion. For first-time applicants, eligibility as an expanding company is determined by peak employment over the three prior years. The company must meet or exceed the average employment level for the past three years in order to be considered an expanding company and eligible for JTIP. For companies which have been funded by the program previously, the number of employees at the time of previous funding application and the number funded by JTIP are also taken into consideration. The company must be expanding beyond the peak employment count achieved with previous JTIP funds. New Mexico Unemployment Insurance (UI) reports are used to determine employment levels.

3. If a company hires twenty or more trainees in a municipality with a population of more than forty thousand according to the most recent decennial census or in a class A county (Los Alamos), the company must offer its employees and their dependents health insurance coverage that is in compliance with the NM Insurance Code (Chapter 59 A). In addition, the company must contribute at least fifty percent of the premium for health insurance for those employees who choose to enroll. The fifty percent employer contribution is not a requirement for dependent coverage.
4. Companies are required to submit three years of financial statements as part of the application process. Year-to-date financials may also be requested. Start-up companies which do not have three years of financials may submit a business plan, evidence of signed contracts, and/or pro forma financial statements which would substantiate their business expansion.
5. Training programs for the production of Native American crafts or imitation Native American crafts are only eligible when a majority of trainees or company employees are of Native American descent. A clear distinction of products carrying names and sources suggesting products are of Native American origin must be made. Total compliance with the Federal Trade Commission and the Indian Arts and Crafts Board of the Department of Interior rules and regulations must be made in determining authentic Native American products using labels, trademarks and other measures.
6. If a facility that received JTIP funds closes or if lay-offs of JTIP trainees occur within 1 year of the completion of training, the JTIP Board will require the refund of the funds associated with any JTIP trainee(s) which were claimed and subsequently laid-off. The board will require a refund of funds from companies whose JTIP lay-offs exceeded \$100,000 of reimbursement. The board will require a refund of funds within 90 days of notification.
7. Layoff is defined as a separation of an employee from an establishment that is initiated by the employer as a result of market forces or other factors not related to employee performance.
8. If a JTIP eligible trainee is laid-off during the training period and is subsequently rehired, within four months by the same employer, the trainee can be treated as a new hire and thus remains eligible for JTIP.

## **Position Qualifications and Requirements**

The following qualifications have been established to ensure that the positions for which funding is requested meet legislative requirements.

1. Positions must be full-time (at least 32 hours/week) and year-round. Trainees must be guaranteed full-time employment with the company upon successful completion of training. Contract positions are not eligible for JTIP funds.
2. Trainer wages are not eligible for JTIP funds.
3. To attract the best candidates and reduce turnover, companies are encouraged to set wages at a level which qualifies 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.
4. Eligible positions include those directly related to the creation of the product or service provided by the company to its customers. In addition, other newly created positions may be funded up to a maximum of 10% of the total number of jobs for which funding is requested.

## **Trainee Qualifications and Requirements**

The company has the exclusive decision in the selection of trainees. Trainees are expected to meet company standards on attendance, performance, and other personnel policies. All trainees must be hired within six months of the contract start date.

The following qualifications have been established to ensure that the trainees for which funding is requested meet legislative requirements.

1. Trainees must be new hires. No retraining of current company employees is allowed under the program. Current company employees may be eligible for training under the New Mexico enhanced skills training program, STEP UP.
2. Trainees hired after April 8, 2005 must have resided in the State of New Mexico for a minimum of one continuous year at any time before beginning training.
3. Trainees must be of legal status for employment.
4. Trainees shall not have terminated a public school program except by graduation or GED certification within the three months prior to beginning training.
5. Trainees who have participated in a previous JTIP or Industrial Development Training Program are not eligible to participate again with the same company.
6. Trainees who are majority owners or relatives of majority owners of the company are not eligible to participate in JTIP.
7. Trainee job classifications should remain fixed during the program. However promotions may be allowed during the training period to another position in the contract as long as the pay remains at least equal to the previous job. JTIP staff should be notified within 15 days of the promotion if the company wishes to still be reimbursed for the employee's training.
8. Trainees' start dates must occur after the actual contract date.
9. Employees hired through a temporary agency may be eligible for funding provided the following conditions are met.
  - The trainee must be hired by the company as a permanent full-time employee before the end of the JTIP approved training hours.
  - The trainee must receive the same wages and major medical, dental, and vision benefits while working as a temporary employee that permanent employees of the company receive.

- The staffing agency must disclose wages paid to the temporary employee to the company.
  - The amount of reimbursement during the temporary period will be the actual wage paid to the employee and will not include extra fees paid to the staffing agency.
10. Companies are reimbursed for wages as each trainee completes the approved training hours.
11. If a trainee leaves the company before completing training, the company is not eligible for any reimbursement for that employee. If another trainee can be hired in that position and complete training before the contract end date, a claim can be submitted for the successful trainee.

## **Eligible Training Programs**

The authorizing legislation establishes the following criteria for training:

- Training projects shall, to the extent possible, be customized to meet the company's specific needs.
- Training projects shall provide quick-response classroom and on the job training.
- Training shall provide New Mexico residents with improved economic status through employment.
- Training shall provide measurable growth to the economic base of New Mexico.

The types of training projects eligible under the Job Training Incentive Program are:

- Structured on-the-job training (OJT) and "hands on" skill development at the company's facility.
- Custom classroom training provided by a New Mexico post-secondary public educational institution.
- A combination of classroom and OJT as described above.

### **On-The-Job Training**

Training is conducted at the participating company's facility and generally involves structured on-the-job training (OJT) and/or "hands-on" skill development. Although certain modules may be conducted in a classroom setting at the company location, the training is still considered OJT. The training must be customized to develop essential skills particular to the company's needs.

1. A comprehensive training plan is required as part of the proposal for funding. The training plan must include the company job description, O\*NET job description, and training units. Each unit will include core content and/or objectives, methods and materials, and requested hours. A more detailed description of the training plan requirements is included in the [JTIP Proposal Guide](#).
2. The participating company is responsible for providing the necessary facilities, equipment, materials and training staff. Trainer's wages are not eligible for funding through JTIP.
3. The executed contract will comply with governing legislation. Please refer to the sample contract in the appendix.

### **Custom Training Provided by a New Mexico Post-Secondary Public Educational Institution**

Training is conducted by a New Mexico post-secondary public educational institution in a classroom setting either on campus or at the work site. This type of training is typically coordinated through the institution's Workforce Training Center. At least three trainees must participate in classroom training, which should be customized to meet the specific needs of the company. Only JTIP participants are eligible to attend the training at JTIP's expense. If appropriate training opportunities are not available through public institutions, private institutions may be considered. The educational institution must provide a separate proposal to the JTIP Board. The custom training outlined in this proposal must be integrated with the proposal submitted by the company for trainee wages.

1. The contracted institution and/or the participating company will work with the Economic Development Department to establish the contract, its content, scope, and training standards to ensure that the program meets or exceeds the company's requirements.

2. The contracted custom training will be integrated into the training plans submitted by the company in the coordinating JTIP proposal.
3. The contracted custom training will be conducted within the initial training period approved by the JTIP board.
4. Payment for classroom training services shall be made only for a qualified and approved program. Reimbursement for classroom training will be at a maximum rate of \$35 per hour of training per trainee with a cap of \$1,000 per employee. Tuition reimbursement is not eligible for JTIP funding.
5. Facilities rental outside a public educational institution and equipment rental and/or purchase are not eligible for JTIP funds unless facilities are not available at the company or the educational institution.
6. The executed contract shall comply with the governing legislation.

## **Reimbursable Expenses**

The following expenses are eligible for reimbursement through JTIP.

- A significant percentage of trainee wages (50% - 80% for up to six months of initial training).
- A percentage of travel expenses associated with training (50% - 75%).
- Cost of providing custom classroom training at a New Mexico post-secondary public educational institution at a maximum of \$35 per hour of training per trainee and a cap of \$1,000 per employee.

Standard reimbursement rates for wages and travel range from 50% to 75%. Positions which meet the JTIP requirements and meet the criteria of the High Wage Job Tax Credit are also eligible for an additional 5% wage reimbursement. If a company is participating in other job reimbursement training programs such as the Workforce Investment Act (WIA), the combined reimbursement to the company may not exceed 100%.

The Job Training Incentive Program allows for reimbursement only at the completion of training. If an employee does not complete the training period, no funds can be claimed for that employee. If another trainee can be hired in that position and complete training before the contract end date, a claim can be submitted for the successful trainee.

### **Wage Reimbursement**

Trainee wages are generally the largest expense associated with training. JTIP reimburses the company for a significant portion of trainee wages during the initial training period. The percentage of reimbursement ranges from 50% to 75%, depending on the business location. An additional 5% may be awarded for jobs which also qualify for the High Wage Job Tax Credit.

The number of hours eligible for reimbursement varies by position, up to 1040 hours (six months). The number of hours eligible for reimbursement for each position is based on the O\*NET (Occupational Information Network) job zone classification for the O\*NET position which most closely matches the company's job description and the wage paid the trainee at the point of hire. The O\*NET system, sponsored by the US Department of Labor, is available at <http://onetcenter.org>. Each job in the O\*NET system is assigned to one of five job zones, with recommended training hours for each zone. The number of recommended hours is included in the table on the following page.

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	8.00	Below 7.50	20	4
1a	Little or no preparation needed	Below 4.0	320	9.00	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

The JTIP board will ensure that the O\*NET occupations match the company job description for the requested position and that training hours requested do not exceed the O\*NET guideline. The board will also review the company's educational and experience requirements of the applicants to determine the degree of match with the company's job descriptions. The JTIP board awards training hours based on the O\*NET guideline unless the company clearly substantiates that additional hours are required. In determining the appropriate number of training hours, the board considers the training plan, the training objectives, and the hourly wage at point of hire associated with the position.

The board has also adopted a wage requirement for JTIP participation. The wage requirement varies by job zone and company location (rural/urban). These requirements are listed in the table above. 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 recommended hours. Generally, the hours are reduced to the hours allowed for the next lower job zone. For contract-based call centers, the positions must meet or exceed at least 90% of the county median wage to qualify in urban locations and \$8/hour in rural locations.

The percentage of wages reimbursed depends primarily on the business location. The categories for location are urban, rural, frontier, economically distressed, and Native American land.

- Businesses in urban locations (cities with population above 40,000 in the most recent decennial census) and Class A counties (i.e., Los Alamos) are reimbursed at 50% for all eligible training hours. Urban communities are: Albuquerque (448,607), Las Cruces (74,267), Rio Rancho (51,765), Roswell (45,293), and Santa Fe (62,203).
- Companies located in rural areas, which is defined as any area 10 miles outside the urban areas listed above, are reimbursed at 65% for all eligible training hours.
- Companies located in frontier areas (communities with a population of 15,000 or fewer and outside an MSA) are reimbursed at 70% for all eligible training hours.
- Companies located in an economically distressed area in New Mexico are eligible for 75% reimbursement. To receive a 75% reimbursement, a company must be located in a county with an unemployment rate significantly higher than the state unemployment rate. However, the JTIP board may entertain an exception to this policy when a company is located in a community experiencing a combination of other distressed economic conditions such as recent significant job losses due to business closures or down-sizing, a decline in population, loss of gross receipts or other factors.
- Companies located on Native American reservations are eligible for 75% reimbursement.

JTIP eligible positions which meet the requirements of the High Wage Job Tax Credit are eligible for an additional 5% reimbursement. These requirements are a hiring salary of \$40,000 or higher in an urban or Class A county and a hiring salary of \$28,000 or higher in a rural location or economically disadvantaged area. Reimbursement for positions which meet these requirements is 55% in an urban location, 65% in a rural location, 75% in frontier areas, and 80% in an economically distressed area and on Native American land. Trainee requirements (New Mexico residency for one year, new hire status, etc.) are still factors for JTIP eligibility.

Additional guidelines for wage reimbursement are:

- Eligible trainee hours shall not exceed one thousand and forty (1,040) hours per trainee (six months) based on the company's scheduled workweek, not to exceed forty (40) hours per week.
- Reimbursement is calculated on base pay only. Bonus pay, overtime, and stock options are not eligible for reimbursement.
- If the company compensates the trainee for annual, holiday or sick leave during the approved training period, those hours are included in the approved training hours at the base rate.
- Any training hours that exceed the contracted amount are the responsibility of the company.
- If a company is participating in other job reimbursement training programs such as WIA, the combined reimbursement to the company may not exceed 100%.

### **Reimbursement for Classroom Training**

Payment for classroom training services provided by public post-secondary educational institutions is restricted to instructional costs. The rate of reimbursement to the institution is at a maximum of \$35 per hour per trainee with a cap of \$1,000 per trainee. Instructional costs for classroom training conducted by an educational institution may include course development, instructional salaries, fringe benefits, relevant supplies and materials, expendable tools, accounting services, and other costs associated with conducting the training program. *No training equipment may be purchased or rented using JTIP funds.*

### **Travel Cost and Per Diem Reimbursement for Trainees and Trainers**

Trainee travel and per diem may be included in the proposal when trainees are required to travel to a different location for training. Travel expenses may also be included if a trainer is required to travel to New Mexico to conduct training. Reimbursement for travel and per diem will be consistent with the rates as designated by location (50% for urban, 60% for rural, 70% for frontier, and 75% for economically distressed or Native American areas). Travel and per diem must be pursuant to the DFA rule 95-1 of the Department of Finance and Administration's regulations governing the Per Diem and Mileage Act.

Total travel cost is not to exceed five (5%) of the amount requested for wages.

## **Requirements for Funding Requests**

A company must submit a written proposal to the JTIP staff one month before the board meeting to be considered for funding. Information and documentation which must be included in the proposal is explained in detail in the JTIP Proposal Guide, which describes the requirements for initial applications for funding and for companies which are submitting subsequent requests. The proposal is an important document not only in establishing the company's eligibility for JTIP funding, but also its viability as a business and the relationship of the newly created jobs to business expansion. A detailed training plan is required to ensure the success of the trainees, the training program, and ultimately the business.

The board considers a number of factors when evaluating proposals. These include:

1. Being a corporate or regional headquarter facility.
2. Quality of jobs with respect to wages and benefits. Companies are encouraged to pay at levels which qualify for the High Wage Job Tax Credit (\$40,000 in urban locations and \$28,000 in other locations).
3. Return on investment, including impact on local and state economies. Factors include number of jobs, impact on average wage and household earnings; increase in per capita income; annual local purchases impacting local/state sales taxes; dollar amount of new construction; environmental impact; and overall economic support to the community.
4. The company's financial strength should indicate a capacity for long-term employment for JTIP participants.
5. Charitable and community contributions.

## Procedural Overview

The procedure for completing a funding proposal is explained in detail in the [JTIP Proposal Guide](#). The procedure for program participation once funding is approved is described in the [JTIP Program Guide](#). This summary is intended to provide a general overview of the process. Please refer to the appropriate guide when completing a proposal for funding and administering the program once it is funded. JTIP staff is available for assistance with these processes.

1. Proposals and contract amendments must be submitted to the Economic Development Department, JTIP, no less than one month before the JTIP Board meeting at which the proposal will be considered for funding. Early submission is required to allow JTIP staff and board members to review the materials and request clarification or additional information if needed. Ten copies of the proposal will be requested once the proposal has been reviewed by staff and refined, if necessary.
2. Board meetings are generally held on the second Friday of each month. The alternate date, which is used when a meeting on the second Friday is not viable (a quorum cannot be achieved, holiday, etc.), is the third Friday of the month.
3. The contract start date is the date of the board meeting at which funding was approved. The contract end date is one year after the start date. All claims for reimbursement must be submitted and the final audit must be completed within 30 days of the contract end date.
4. The contractual agreement will be prepared and mailed out to the company within 15 working days after the board approval date. A sample contract is included as an appendix to this manual. Companies are encouraged to review the contract before applying for funding, as the contract cannot be edited.
5. The company must return the signed contractual agreement to the Economic Development Department within 15 business days from the issue date.
6. Eligible job openings must be registered with the New Mexico Department of Workforce Solutions. The company is also encouraged to advertise through the placement office at local post-secondary educational institutions. A list of all post-secondary, public and proprietary institutions is available from the New Mexico Higher Education Department (<http://hed.state.nm.us>).
7. The company must hire trainees within six months of the contract start date. This timing ensures that trainees who are eligible for six months of training will complete the program before the contract end date.
8. The company must provide the JTIP staff with a roster of new hires at the end of the six-month hiring period. When the company submits the list, the allocation of funds for their contract will be adjusted to reflect the number of people hired. The board will not entertain extensions to the contract.
9. Claims for reimbursement should be submitted as each participant completes training.
10. Each project is subject to compliance reviews throughout the term of the contract. The compliance review includes program and fiscal surveys.
11. The company must arrange for a final audit by an independent accounting firm registered with the New Mexico Regulation and Licensing Department, Board of Accountancy. A list of approved auditors is available from JTIP staff or from ([www.saonm.org](http://www.saonm.org)). A specific amount for the audit is included as part of the proposal approval. Any amount in excess of this amount is the responsibility of the company. The audit must be completed within 30 days of the end of the contract. Companies should keep this deadline in mind when selecting an auditor.
12. All claims for reimbursement must be submitted and the final audit must be completed within 30 days of the contract end date. The final claim for reimbursement should be submitted with the completed final audit. The final claim will be paid once the final audit has been received and approved favorably.

13. Yearly follow-ups are conducted to show effectiveness of the program, including surveys to address retention rates of program participants.
14. Companies that fail to comply with all established operating requirements, closeout procedures and follow-up studies are not eligible to apply for future participation in JTIP.

## **Amendments**

Amendments to the contract may be allowed in special circumstances. Amendments may be required by administrative changes (such as job classification changes, company name change, etc.) and changes to the number of participants funded. Companies must submit an amendment request, along with supporting documentation to justify the amendment to the Job Training Incentive Program Board. All amendment requests must include 1) a letter describing the change requested and the reason for the change, 2) a completed amendment form, and in some cases a current financial statement. A copy of the amendment form is included in the JTIP Program Guide. If a company requests an amendment increasing the original contract by more than 50% or \$100,000, whichever is the lesser amount of the two, a new proposal must be submitted. However, if a company submits a new proposal within six months of the original proposal which is for an amount greater than would normally be allowed for amendment, the company may submit a shorter modified proposal.

Amendment requests which are administrative in nature and do not impact the original budget amount by more than \$10,000 (above or below) may be executed by JTIP staff. Examples include job classification changes, company name change and changes to wage ranges. The program manager and division director or his/her designee will approve all staff executed contract changes. Otherwise, the JTIP Board must approve all contract amendments.

All project amendment requests must be submitted in writing one month prior to the board meeting. The board meetings are held on the second Friday of every month, with the third Friday occasionally used as an alternate. Amendments must begin within thirty days from the approval date.

## **Contacting JTIP Staff**

JTIP staff can be contacted at the New Mexico Economic Development Department in Santa Fe. The general phone numbers for the department are (505) 827-0300 or (800) 374-3061.

The mailing address for all JTIP reimbursement forms is:

Job Training Incentive Program  
Program Administrator  
New Mexico Economic Development Department  
P. O. Box 20003  
Santa Fe, NM 87504-5003

The physical address to be used for Federal Express or special handling packages is:

Job Training Incentive Program  
Program Administrator  
New Mexico Economic Development Department  
Joseph M. Montoya Bldg., Room 1060  
1100 St. Francis Drive  
Santa Fe, NM 87505-4147

## GLOSSARY

### **Economically Distressed Areas**

Companies located in an economically distressed area in New Mexico are eligible for 75% reimbursement. To receive a 75% reimbursement, a company must be located in a county with an unemployment rate significantly higher than the state unemployment rate. However, the JTIP board may entertain an exception to this policy when a company is located in a community experiencing a combination of other distressed economic conditions such as recent significant job losses due to business closures or down-sizing, a decline in population, loss of gross receipts or other factors.

### **Expanding Company**

An expanding company is an existing business which requires additional employees or workforce due to a market or product expansion. A company which buys out an existing company is not considered a new company. Eligibility as an expanding company is determined by average employment over the three prior years. (Refer to "Peak Employment.")

### **Frontier**

A frontier area is any community with a population of less than 15,000 based on the most recent decennial census and outside a designated MSA.

### **High Wage Job Tax Credit**

The High Wage Job Tax Credit provides a tax credit of 10% of the wages and benefits paid for each new economic-based job created on or after July 1, 2004 and before July 1, 2009, not to exceed \$12,000 per year per job. Qualified jobs must pay at least \$28,000/year in a community with a population of less than 40,000 and \$40,000/year in a community with a population of 40,000 or more. Eligible jobs must also be occupied for at least 48 weeks by the employee.

### **Manufacturing**

Manufacturing is defined at § 7-4-10B NMSA 1978 as "combining or processing components or materials to increase their value for sale in the ordinary course of business but does not include: (1) construction; (2) farming; (3) power generation, except for electricity generation at a facility other than one for which both location approval and a certificate of convenience and necessity are required prior to commencing construction or operation of the facility, pursuant to the Public Utility Act and the Electric Utility Industry Restructuring Act of 1999; or (4) processing natural resources, including hydrocarbons".

### **Metropolitan Statistical Area**

An MSA is a statistical standard designated and defined by the U. S. Department of Commerce, Office of Federal Statistical Policy and Standards (OFSPS). MSA's are designated so that governmental agencies will use a common geographical classification in the production of data on metropolitan areas in the nation. The general concept of an MSA is one of a large population nucleus, together with any adjacent communities which have a high degree of economic and social integration with that nucleus. In New Mexico there are three MSA's. Albuquerque MSA includes Bernalillo, Sandoval, Valencia, and Tarrant Counties. Santa Fe MSA includes Santa Fe County. Las Cruces MSA includes Dona Ana County.

### **NAICS**

North American Industry Classification System (NAICS) is an industry classification system that groups establishments into industries based on the activities in which they are primarily engaged. This comprehensive system covers the entire field of economic activities, producing and non-producing. The NAICS system replaced the Standard Industrial Classification (SIC) system. NAICS information is available at [www.census.gov/epcd/naics02/naicod02.htm](http://www.census.gov/epcd/naics02/naicod02.htm).

### **Native American Crafts**

Contracts may be awarded for training programs involved in the production of Native American crafts or imitation Native American crafts only when a majority of trainees or company employees are of Native American descent. A clear distinction of products carrying names and sources suggesting products are of Native American origin must be made. Total compliance with the Federal Trade Commission and the

Indian Arts and Crafts Board of the Department of Interior rules and regulations must be made in determining authentic Native American products using labels, trademarks and other measures.

### **New Company**

A new company is defined as a company not currently in operation in the state which shows evidence of intent to establish operations in New Mexico. The company must have a New Mexico Tax ID and a New Mexico Unemployment Insurance ID when applying for JTIP funds.

### **Non-Retail Service Sector Business**

To be considered for JTIP funding, the company must provide services which are not retail in nature and must export 50% of the services outside of New Mexico. To be considered for JTIP participation, non-retail service companies must export a service rather than import a customer.

### **O\*NET**

The Occupational Information Network - O\*NET database takes the place of the Dictionary of Occupational Titles (DOT) as the nation's primary source of occupational information. The number of training hours for which a position is eligible for reimbursement through JTIP is based on the number of hours recommended for the position in O\*NET. The O\*NET database is available at [www.onetcenter.org](http://www.onetcenter.org).

### **Peak Employment: First Time JTIP Applicants**

Peak employment will be based on the employment average from three previous years or the present employment level, whichever is higher. The Board will utilize the State of New Mexico Unemployment Insurance (UI) Reports to determine peak employment at the time of application to ensure an expansion is indeed occurring.

### **Peak Employment: Previous JTIP Participants**

Peak employment for previous participants will be based on the employment level at the time of the award of the last JTIP contract plus the number of employees funded through that contract. In cases in which a number of years have passed since prior funding, the Board may utilize the State of New Mexico Unemployment Insurance (UI) report for the last three years to determine peak employment at the time of reapplication to ensure an expansion is indeed occurring.

### **Retail Trade**

Retail establishments are those which are engaged in retailing merchandise and rendering services incidental to the sale of merchandise. Retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers.

### **Rural**

A rural community is any area located ten miles or more outside communities defined as urban in JTIP policy.

### **Southwestern Arts and Crafts**

Refer to Department of Interior Indian Arts and Crafts Board; Indian Arts and Crafts Association; Council of Better Business Bureau; Federal Trade Commission.

### **Urban Communities**

An urban community is defined as a municipality with a population of forty thousand or more according to the most recent federal decennial census. Those communities are: Albuquerque (448,607), Las Cruces (74,267), Rio Rancho (51,765), Roswell (45,293), and Santa Fe (62,203). Class A counties (i.e., Los Alamos) fall under the same guidelines for reimbursement as urban communities.