

Annual review yields stronger JTIP program

Written by By Damon Scott for Finance New Mexico
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The Job Training Incentive Program, the economic development tool better known as JTIP, is responsible for creating 10,000 New Mexico jobs since 2011, according to the New Mexico Economic Development Department (EDD).

Since 1972, JTIP has been providing incentives for qualifying employers who are expanding or relocating in the state. Incentives include money for on-the-job training for up to six months and reimbursement of up to 75 percent of an approved employee's wages and training costs at an approved New Mexico public education institution.

"It's a strong tool in place, and we will continue to use it to make positive changes," said EDD communications director Benjamin Cloutier. JTIP program manager Sara Gutiérrez and her team have made smart changes over the years, he added, signing up companies like PreCheck of Alamogordo, Plenish Skin Care of Taos, Insight Lighting of Rio Rancho and Rural Sourcing Inc. in Albuquerque.

To qualify for funding under JTIP guidelines, companies must manufacture or produce a product in New Mexico. Businesses must be non-retail with a significant percentage of services exported out of state. Exports can be defined in terms of customer base or revenue — at least 50 percent of either derived from outside of state lines. There are exceptions, and certain green industries qualify, although healthcare and extractive industries do not.

Program manager Gutiérrez said reimbursement amounts are based on the location of the company — whether it falls in an "urban, rural or frontier" area. Companies must be in the midst of an expansion and must be creating new net jobs. Companies taking advantage of the

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program range from startups to more established businesses with 100 employees, she said. In other words, businesses large and small.

Gutiérrez said the New Mexico Partnership, the state's economic development outreach arm, and other organizations help identify companies that are expanding and might benefit from JTIP. "We work very closely with our team of regional reps, with feet on the ground," she said.

The program undergoes review every year, Gutiérrez said. The EDD solicits feedback from active JTIP companies and economic developers throughout the state who make recommendations and create a "wish list" for how to make the program stronger. A policy hearing is then set up where ideas are presented to the JTIP board of directors who make a decision about what will be adopted into policy.

This year's changes went into effect July 1.

One change adjusts the residency requirement, which stipulated that trainees must have lived in New Mexico for one continuous year before becoming eligible for the program. The new rule reduces residency to one day. The idea behind the amendment is to better recruit employees for high wage jobs in the state — jobs that can be challenging to fill quickly.

"The inspiration for that change in the statute was geared toward trying to assist companies who need a particular skill set when expanding," said Gutiérrez.

The second change refines existing policy regarding an additional 5 percent wage reimbursement above standard rates — a move meant to encourage higher wages. The third adds flexibility to the job eligibility formula to include non-production jobs. "It levels the playing field for smaller, rural companies and allows them to benefit along with the larger companies," Gutiérrez said.

For more information and full eligibility details, visit the EDD website at: gonm.biz .

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The July 1 amendments can be found by searching JTIP amendments. Reach Gutiérrez at [\(505\) 827-0249](tel:5058270249)

or

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JTIP in 2016/2017 fiscal year:

Funds awarded: \$13.7 million

Jobs created: 2,000

Average rural wage: \$21 per hour

Participation: 57 companies from 11 counties

Source: New Mexico Economic Development Department

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