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## **Two Programs Reimburse Employers for Training New and Veteran Workers**

*By Sara Haring, Manager, New Mexico Job Training Incentive Program*

Job creation is on the minds of many as the economy continues its slow but steady climb from recession. In New Mexico, job creation has been on the agenda of the state Economic Development Department since 1972, when the New Mexico Job Training Incentive Program (JTIP) was launched to help businesses defray the cost of hiring and training new employees.

JTIP is one of the most generous training incentive packages in the country, funding classroom and on-the-job training for new jobs in businesses that are expanding in New Mexico or moving here. The department supplemented JTIP in 2005 with STEP-UP to help qualified companies train their existing work force in new technologies or skills.

JTIP helps New Mexico-based businesses that want to hire new workers and attracts out-of-state businesses as well. While some states offer similar programs, New Mexico's JTIP reimbursement is competitive enough to put New Mexico in the running as a new home for businesses based elsewhere.

"The Job Training Incentive Program continues to be a key tool as the Economic Development Department strives to assist local businesses in hiring new employees," said Economic Development Secretary Jon Barela. "The state has a real asset in the JTIP program, as it has been ranked nationally as the third-best work-force development incentive program."

To be eligible for JTIP, companies must manufacture a product in New Mexico, be considered a "green" industry or export a substantial percentage of services out of New Mexico. Companies with locations in multiple states may also be eligible if they maintain their headquarters in New Mexico. JTIP reimburses qualified companies for a portion of training costs associated with job creation; it provides for classroom or on-the-job training, reimbursing an expanding or relocating business for up to 75 percent of a trainee's wages for as long as six months.

Eligible jobs must be full-time and year-round. The trainee must be a new hire and have lived in New Mexico for at least one continuous year at any time before being hired.

To receive funding under JTIP, companies must submit a written proposal to the Economic Development Department and be approved by the JTIP board of directors before hiring eligible employees. Employees in the JTIP program can help applicants with the proposal.

STEP-UP helps companies train incumbent employees with the integration of new technology into production processes, with product line adjusting to keep up with market demands or with substantial changes in delivery processes – all of which can require new skills or technological capabilities. STEP UP can also be used to prepare an employee to advance within a company and earn a higher salary.

To be eligible for STEP-UP, existing New Mexico businesses must meet JTIP eligibility requirements with respect to the type of business, have been in operation in New Mexico for at least one year prior to the date of application and have at least one full-time employee. The company must either be making a new capital investment for the purpose of introducing new technologies or equipment or agree to give participating employees a reasonable wage increase within six months of completion of training.

STEP-Up is available to companies in rural locations and to small businesses with up to 50 employees in urban locations. STEP-UP reimburses funds for 50 to 70 percent of total eligible costs up to \$2,500 per trainee.

For more information on either program, go to [www.gonm.biz](http://www.gonm.biz).

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