

This is an amendment to 5.5.50 NMAC, Sections 6, 10, 12 and 15 effective July 14, 2020.

**5.5.50.6 OBJECTIVE:** 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. Eligibility for JTIP funds depends on the company's business, the role of the newly created positions in that business, and the trainees themselves.

**A. Company eligibility:** Companies that increase the economic base of New Mexico are eligible to be considered for JTIP funds. They are broken out into two broad categories: manufacturers and companies that provide services that are non-retail in nature and export at least fifty percent of the services to a customer base outside New Mexico. 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.

**B. Job eligibility:** Jobs eligible for funding through JTIP must be newly created, 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 must directly support the primary mission of the business and include those directly related to the creation of the product or service provided by the company to its customers. Other newly created jobs not directly related to production may be eligible. The number of these jobs is limited to twenty percent of the total number of jobs applied for in the proposal. ~~[Rural companies]~~ Companies with fewer than 20 employees may include production-related jobs claimed on previous JTIP projects in the calculation when applying for non-production jobs on subsequent applications within two years of the most recent board approval date. 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 Paragraph (2) of Subsection D. of 5.5.50.10 NMAC]~~ "Reimbursable Expenses" section of this policy manual. To attract the best candidates and reduce turnover, companies are encouraged to set wages at levels eligible for the high wage job tax credit, and utilize the WorkKeys® program as part of the hiring process. In urban areas, companies ~~[that apply for]~~ with more than 20 ~~[positions]~~ employees must offer health insurance coverage to employees and their dependents and pay at least fifty percent of the premium for employees who elect coverage.

**C. 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 domiciled in New Mexico (domicile is your permanent home; it is a place to which a person returns after a temporary absence) 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 HSE (high-school equivalency). The one-year residency requirement may not apply to a trainee hired into an approved high-wage position provided the trainee meets all other JTIP eligibility requirements and moved to New Mexico with the intent of making New Mexico his/her permanent place of residence prior to beginning work with the participating company. Companies are reimbursed at a reduced, flat reimbursement rate for trainees that meet these criteria.

**D. 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.

(1) The following expenses are eligible for reimbursement through JTIP:

(a) A portion of trainee wages up to seventy-five percent for up to six months of initial training.

(b) A portion of the cost of providing customized classroom training at a New Mexico post-secondary public educational institution.

(2) Positions that meet the JTIP requirements with starting wages at levels eligible for the high wage job tax credit may be eligible for an additional five percent wage reimbursement above the standard rates if the approved entry wage is at least the minimum rate for the job zone as outlined in the JTIP wage chart on Paragraph (2) of Subsection D. of 5.5.50.10 NMAC.

~~[(3) Companies that utilize the WorkKeys® program as part of their hiring process may be eligible for an additional five percent wage reimbursement above the standard rates.]~~

~~[(4)]~~ (3) Companies that hire trainees who have graduated within the past twelve months from a post-secondary training or academic program at a New Mexico institution of higher education may be eligible for an additional five percent wage reimbursement above the standard rates.

~~[(5)]~~ (4) Companies that hire trainees who are U.S. veterans may be eligible for an additional five percent wage reimbursement above the standard rates.

(5) Companies that hire trainees who have graduated out of the NM Foster Care System may be eligible for an additional five percent reimbursement above the standard rates.

(6) Companies may combine the additional five percent wage reimbursement for high-wage jobs with any one of the conditions described in paragraphs (3), (4) or (5) above, for a total additional wage reimbursement not to exceed ten percent above the standard rates.

(7) If a company is participating in other job reimbursement training programs, the combined reimbursement to the company may not exceed one hundred percent.

**E. Program management and administration:** General management of the job training incentive program is the responsibility of the industrial training 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 shall provide review and oversight to assure that funds expended will generate business activity and give measurable growth to the economic base of New Mexico throughout the year. The board has the authority to make funding decisions based on the availability of funds, sufficient appropriations, and the board's determination of the qualifications of the business. The board may elect to implement measures to conserve funds when available funds become limited.

[5.5.50.6 NMAC - Rp, 5.5.50.6 NMAC, 6/26/2018; A, 7/14/2020]

#### **5.5.50.10 REIMBURSABLE EXPENSES:**

**A.** The following expenses may be eligible for reimbursement through JTIP

(1) A percentage of trainee wages for up to six months of initial training.

(2) 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.

(3) A percentage of intern wages for up to 640 training hours.

**B.** Standard reimbursement rates for wages range up to seventy-five percent. Positions that meet the JTIP requirements with starting wages at levels eligible for the high wage job tax credit may be also eligible for an additional five percent wage reimbursement. Positions filled by trainees who meet any of the three following criteria may be eligible for an additional five percent wage reimbursement above the standard rates if the approved entry wage is at least the minimum rate for the Job Zone as outlined in the JTIP wage chart on Paragraph (2) of Subsection D. of 5.5.50.10 NMAC for Zones 1, 2, 3 and 4:

(1) Trainee has ~~[taken the WorkKeys® assessments as part of the hiring/recruitment process.]~~ graduated out of the New Mexico Foster Care System.

(2) Trainee has graduated within the past 12 months from a post-secondary training or academic program at a New Mexico institution of higher education.

(3) Trainee is a U.S. veteran.

Companies may combine any one of the three conditions above with the additional five percent wage reimbursement for high-wage positions, for a total additional wage reimbursement not to exceed ten percent above the standard rates. If a company is participating in other job reimbursement training programs such as the Workforce Innovation and Opportunity Act (WIOA), the combined reimbursement to the company may not exceed one hundred percent.

**C.** 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 within the six month hiring period and complete training before the contract end date, a claim can be submitted for the successful trainee.

**D. Wage reimbursement:**

(1) 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 standard reimbursement ranges up to seventy-five percent, depending on the business location.

(2) The number of hours eligible for reimbursement varies by position, up to 1,040 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://onetonline.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]~~ for fiscal year 2019 (July 1, 2018 – June 30, 2019) and fiscal year 2020 July 1, 2019 – June 30, 2020 [is included] are outlined in the table below. For fiscal years 2021-2024,The JTIP board may uphold the FY2019 wage requirements beyond fiscal year 2019 under the following circumstances: 1) For companies that have engaged with the Economic Development Department through a Local Economic Development Act (LEDA) agreement prior to December, 2019-for the length of the job ramp within the Project Participation Agreement (PPA) ~~[contract period]~~, provided the company meets job creation requirements within that period and wages do not fall below the statewide minimum wage. 2) For companies that have engaged with the Economic Development Department prior to December, 2019 for consideration of business expansion or location and have been presented with a written incentive analysis based on the FY2019 wage requirements. JTIP applications must be submitted for consideration no later than November 13, 2020. ~~[FY2019 wage requirements may be upheld for the length of the LEDA PPA contract period provided the company meets job creation requirements within that period and wages do not fall below the statewide minimum wage.]~~

<b>General Guideline for Duration of Reimbursable Training Time/Wages for FY2019 and FY2020</b>							
<b>Job Zone</b>	<b>Definitions</b>	<b>SVP Range/Conversions</b>	<b>Hours</b>	<b>Min. Wage @ Hiring - Urban</b>	<b>Min. Wage @ Hiring - Rural</b>	<b>Days</b>	<b>Weeks</b>
1	Little or no preparation needed	Below 4.0	320	11.00	9.50	40	8
2a	Some preparation needed	4.0 to < 6.0	480	12.50	10.00	60	12
2	Some preparation needed	4.0 to < 6.0	640	14.00	10.50	80	16
3a	Medium preparation needed	6.0 to < 7.0	800	15.50	12.00	100	20
3	Medium preparation needed	6.0 to < 7.0	960	17.00	13.00	120	24
4	Considerable preparation needed	7.0 to < 8.0	1,040	20.00	14.00	130	26
	Align with HWJTC	Additional five percent		28.85	19.23		

The number of recommended hours for fiscal years 2021, 2022, 2023 and 2024 are outlined in the tables below.

<b>General Guideline for Duration of Reimbursable Training Time/Wages for FY2021 (July 1, 2020-June 30, 2021)</b>							
<b>Job Zone</b>	<b>Definitions</b>	<b>SVP Range/Conversions</b>	<b>Hours</b>	<b>Min. Wage @ Hiring - Urban</b>	<b>Min. Wage @ Hiring - Rural</b>	<b>Days</b>	<b>Weeks</b>
1	Little or no preparation needed	Below 4.0	320	12.50	10.63	40	8
2a	Some preparation needed	4.0 to < 6.0	480	14.00	11.13	60	12
2	Some	4.0 to < 6.0	640	15.50	11.63	80	16

	preparation needed						
3a	Medium preparation needed	6.0 to < 7.0	800	17.00	13.13	100	20
3	Medium preparation needed	6.0 to < 7.0	960	18.50	14.13	120	24
4	Considerable preparation needed	7.0 to < 8.0	1,040	21.50	15.13	130	26
	Align with HWJTC	Additional five percent		28.85	19.23		

<b>General Guideline for Duration of Reimbursable Training Time/Wages for FY2022 (July 1, 2021-June 30, 2022)</b>							
<b>Job Zone</b>	<b>Definitions</b>	<b>SVP Range/Conversions</b>	<b>Hours</b>	<b>Min. Wage @ Hiring - Urban</b>	<b>Min. Wage @ Hiring - Rural</b>	<b>Days</b>	<b>Weeks</b>
1	Little or no preparation needed	Below 4.0	320	14.00	11.90	40	8
2a	Some preparation needed	4.0 to < 6.0	480	15.50	12.40	60	12
2	Some preparation needed	4.0 to < 6.0	640	17.00	12.90	80	16
3a	Medium preparation needed	6.0 to < 7.0	800	18.50	14.40	100	20
3	Medium preparation needed	6.0 to < 7.0	960	20.00	15.40	120	24
4	Considerable preparation needed	7.0 to < 8.0	1,040	23.00	16.40	130	26
	Align with HWJTC	Additional five percent		28.85	19.23		

<b>General Guideline for Duration of Reimbursable Training Time/Wages for FY2023 (July 1, 2022-June 30, 2023)</b>							
<b>Job Zone</b>	<b>Definitions</b>	<b>SVP Range/Conversions</b>	<b>Hours</b>	<b>Min. Wage @ Hiring - Urban</b>	<b>Min. Wage @ Hiring - Rural</b>	<b>Days</b>	<b>Weeks</b>
1	Little or no preparation needed	Below 4.0	320	15.00	12.75	40	8
2a	Some preparation needed	4.0 to < 6.0	480	16.50	13.25	60	12
2	Some	4.0 to < 6.0	640	18.00	13.75	80	16

	preparation needed						
3a	Medium preparation needed	6.0 to < 7.0	800	19.50	15.25	100	20
3	Medium preparation needed	6.0 to < 7.0	960	21.00	16.68	120	24
4	Considerable preparation needed	7.0 to < 8.0	1,040	24.00	17.68	130	26
	Align with HWJTC	Additional five percent		28.85	19.23		

<b>General Guideline for Duration of Reimbursable Training Time/Wages for FY2024 (July 1, 2023-June 30, 2024)</b>							
<b>Job Zone</b>	<b>Definitions</b>	<b>SVP Range/Conversions</b>	<b>Hours</b>	<b>Min. Wage @ Hiring - Urban</b>	<b>Min. Wage @ Hiring - Rural</b>	<b>Days</b>	<b>Weeks</b>
1	Little or no preparation needed	Below 4.0	320	15.50	13.18	40	8
2a	Some preparation needed	4.0 to < 6.0	480	17.00	13.68	60	12
2	Some preparation needed	4.0 to < 6.0	640	18.50	14.18	80	16
3a	Medium preparation needed	6.0 to < 7.0	800	20.00	15.68	100	20
3	Medium preparation needed	6.0 to < 7.0	960	21.50	16.68	120	24
4	Considerable preparation needed	7.0 to < 8.0	1,040	24.50	17.68	130	26
	Align with HWJTC	Additional five percent		28.85	19.23		

(3) The JTIP staff 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 may award 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.

(4) 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 tables 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 as per criteria and procedures set forth by and at the discretion of the JTIP board, which may include consideration of the company benefits package. Generally, the hours are reduced to the hours allowed for

the next lower job zone. The reimbursement percentages may be adjusted at the discretion of the board based on availability of funds or sufficient appropriations.

(5) 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.

(a) Companies located in urban areas (cities with population above 60,000 in the most recent federal decennial census) and Class H counties (i.e., Los Alamos) are reimbursed at up to fifty percent for all eligible training hours. Urban communities are: Albuquerque (545,852), Las Cruces (97,618), Rio Rancho (87,521), and Santa Fe (67,947).

(b) Companies located in rural areas, outside those listed above are reimbursed at up to sixty-five percent for all eligible training hours.

(c) Companies located in frontier areas (communities with a population of 15,000 or fewer and outside an MSA) are reimbursed at up to seventy-five percent for all eligible training hours.

(d) Companies located in an economically distressed area in New Mexico are eligible for up to seventy-five percent reimbursement. To receive up to seventy-five percent 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.

(e) Companies located on Native American reservations are eligible for up to seventy-five percent reimbursement.

(f) Companies located in federally designated colonias in New Mexico are eligible for up to seventy-five percent reimbursement for all eligible training hours.

(6) JTIP eligible positions with starting wages eligible for the high wage job tax credit may be eligible for an additional five percent reimbursement. These requirements are a hiring salary of \$60,000 or higher in an urban or class H county and a hiring salary of \$40,000 or higher in a rural location or economically disadvantaged area. Trainee requirements are still factors for JTIP eligibility. The percentage of wages reimbursed for high-wage positions filled by trainees who do not meet the one-year residency requirement is unique and not subject to any additional wage reimbursement above the standard rate. Companies located in urban areas and Class H counties are reimbursed up to thirty percent for all eligible training hours. Companies located in rural areas are reimbursed up to forty percent for all eligible training hours. Companies located in frontier areas are reimbursed up to fifty percent for all eligible training hours.

~~[(7) Companies that utilize the WorkKeys® program as part of their hiring process may be eligible for an additional five percent reimbursement.]~~

~~[(8) (7) JTIP eligible positions filled by trainees who have graduated within the past 12 months from a post-secondary training or academic program at a New Mexico institution of higher education may be eligible for an additional five percent reimbursement.~~

~~[(9) (8) JTIP eligible positions filled by U.S. veterans may be eligible for an additional five percent reimbursement.~~

~~(9) Trainee has graduated out of the NM Foster Care System may be eligible for an additional five percent reimbursement.~~

~~This provision is effective for fiscal years 2021 and 2022 and will be reassessed as part of the annual policy amendment process for FY2023.~~

(10) Additional guidelines for wage reimbursement:

(a) Eligible trainee hours shall not exceed 1,040 hours per trainee (six months) based on the company's scheduled workweek, not to exceed 40 hours per week.

(b) Reimbursement is calculated on base pay only. Bonus pay, overtime, commission and stock options are not eligible for reimbursement.

(c) 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.

(d) Any training hours that exceed the contracted amount are the responsibility of the company.

(e) If a company is participating in other job reimbursement training programs such as WIOA, the combined reimbursement to the company may not exceed one hundred percent.

(f) Additional wage reimbursement may not exceed ten percent above the standard rates. Companies may combine the additional five percent wage reimbursement for high-wage jobs with one of the three following conditions for an additional five percent wage reimbursement provided the entry wage is at least the

minimum rate for the Job Zone as outlined in the JTIP wage chart on Paragraph (2) of Subsection D. of 5.5.50.10 NMAC for Zones 1, 2, 3 and 4: 1) ~~[the trainee has taken the WorkKeys® assessments as part of the hiring process]~~ the trainee has graduated out of the New Mexico Foster Care System; 2) the trainee has graduated within the past 12 months from a post-secondary training or academic program at a New Mexico institution of higher education; 3) the trainee is a U.S. veteran. High-wage positions filled by trainees who do not meet the one-year residency requirement are not eligible for additional wage reimbursement above the standard rate.

**E. Reimbursement for custom classroom training:** Payment for custom 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, 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.

[5.5.50.10 NMAC - Rp, 5.5.50.10 NMAC, 6/26/2018; A, 1/1/2020; A, 7/14/2020]

**5.5.50.12 PROCEDURAL OVERVIEW:** The procedures for completing a funding proposal and the administration of a project are explained in detail in the JTIP online application and proposal guide and the JTIP policy and procedures manual.

**A.** Proposals and contract amendments must be submitted to the economic development department, JTIP, no less than four weeks before the JTIP board meeting at which the proposal will be considered for funding.

**B.** The contract start date is the date of the board meeting at which funding was approved.

**C.** Eligible job openings must be registered with the New Mexico workforce connection.

**D.** The company must hire trainees within six months of the contract start date.

**E.** The company must submit an online hiring report at the end of the six month hiring period.

**F.** Claims for reimbursement should be submitted as trainees complete training.

**G.** Each project is subject to compliance reviews throughout the term of the contract.

**H.** The company must arrange for an agreed upon procedure in accordance with generally accepted standards and the general requirements included in the statements on standards for attestation engagements, as issued by the American institute of certified public accountants upon completion of the training.

**I.** The final claim for reimbursement should be submitted with the completed agreed upon procedures report.

**J.** Yearly follow-ups may be conducted to show effectiveness of the program, including surveys to address company retention, wage rates of program trainees and business and industry needs for industry recognized certifications and credentials by the economic development department, the department of workforce solutions and the public education department.

**K.** 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.

**L.** Companies that are not in good standing with other Economic Development Department programs may not be eligible for JTIP.

**M.** EDD and JTIP are taking steps to address setbacks that JTIP companies may encounter due to the COVID-19 health emergency. The board has elected to adopt the following procedural adjustments through FY2021 in order to support companies during this time and into recovery.

(1) JTIP companies that are still within the 6-month hiring period and have suspended their hiring plans, may be allowed to extend the hiring period and therefore the project period, by the length of time the Governor's order was in effect. If the company deems it necessary to postpone hiring for a longer period, JTIP staff will work with the company on a re-application at the appropriate time.

(2) If a JTIP company has to temporarily reduce hours of operation during the time the Governor's order was in place, part-time hours worked by JTIP trainees may be eligible for reimbursement.

(3) If a JTIP company allows trainees to telework, the hours worked may be counted toward the JTIP training hours.

(4) For FY2021, the expansion requirement for all companies will be that the headcount at the time of application is at least at or above the two-year average headcount.

[5.5.50.12 NMAC - Rp, 5.5.50.12 NMAC, 6/26/2018; A, 7/14/2020]

## **5.5.50.15 GLOSSARY:**

**A.** **Apprentice:** Individual who has participated in a work-based training program through the NM Department of Workforce Solutions with the JTIP company.

**[A-] B.** **Agriculture (traditional)/mining/extractive industries:** Companies classified in agriculture, mining, and extractive by the North American industry classification system (NAICS) are not eligible for JTIP.

**[B-] C.** **Company:** A company is a corporation, or less commonly, an association partnership or union that carries on a commercial or industrial enterprise. Generally, a company may be a corporation, partnership, association, joint-stock company, or organized group of persons, whether incorporated or not, and (in an official capacity), legally recognized organizational entity designed to provide goods or services to consumers or corporate entities such as governments, charities, or other businesses.

**[C-] D.** **Distribution:** A distributor is the middleman between the manufacturer and the retailers. After a product is manufactured, it may be warehoused or shipped to the next echelon in the supply chain, typically either a distributor, retailer or customer.

**[D-] E.** **Economically distressed areas:** Companies located in an economically distressed area in New Mexico are eligible for seventy-five percent reimbursement. To receive a seventy-five percent 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.

**[E-] F.** **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 two prior years. (Refer to “peak employment.”)

**[F-] G.** **Film and multimedia post production:** Film digital production and post-production companies are considered manufacturing provided the company operates year round and is primarily engaged in any of the following: animation, editing, foley recording, automatic dialogue replacement, sound editing, special effects (including computer generated imagery or other effects), scoring, and music editing, beginning and end credits, negative cutting, soundtrack production, dubbing, subtitling, or addition of sound or visual effects. Production jobs must be full-time and qualifying trainees must be employed year round. Position must not require trainee to complete product on filming location. Trainee may not be directly employed by the client company at any time.

**[G-] H.** **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.

**[H-] I.** **Green industries:** Those that exist for the sole purpose of contributing directly to preserving or enhancing environmental quality by reducing waste and pollution or by producing sustainable products using sustainable processes and materials. Green industries may include: energy system retrofits to increase energy efficiency and conservation; production and distribution of biofuels and vehicle retrofits for biofuels; building design and construction that meet the equivalent of best available technology in energy and environmental design standards; organic and community food production; manufacture of products from non-toxic, environmentally certified or recycled materials; manufacture and production of sustainable technologies, including solar panels, wind turbines and fuel cells; solar technology installation and maintenance; recycling, green composting and large-scale reuse of construction and demolition materials and debris; and water system retrofits to increase water efficiency and conservation.

**[I-] J.** **High wage job tax credit:** The high wage job tax credit provides a tax credit of ten percent of the wages and benefits paid for each new economic-based job created on or after July 1, 2015, not to exceed \$12,000 per year per job. Qualified jobs must pay at least \$40,000 per year in a community with a population of less than 60,000 and \$60,000 per year in a community with a population of 60,000 or more. Eligible jobs must also be occupied for at least 48 weeks by the employee.

**[J-] K.** **Manufacturing:** Manufacturing includes all intermediate processes required for the production and integration of a product’s components. Industrial production in which raw materials are transformed into finished goods on a large scale is one example. Assembly and installation on the premises of the customer is not included as manufacturing. Manufacturing businesses are typically included in Sectors 31-33 of NAICS. Manufacturing is defined at Section 7-4-10D 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.”



~~[K-]~~ **L. 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/cgi-bin/sssd/naics/naicsrch](http://www.census.gov/cgi-bin/sssd/naics/naicsrch).

~~[L-]~~ **M. 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.

~~[M-]~~ **N. 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 when applying for JTIP funds.

~~[N-]~~ **O. 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 fifty percent of the services outside of New Mexico. To be considered for JTIP participation, non-retail service companies provide a specialized service that may be sold to another business and used by the business to develop products or deliver services. Non-retail service is not offered to the general public and is provided to customers who are not physically present at the New Mexico facility. Non-retail service businesses which meet the JTIP criteria for green industry are exceptions to the requirement that at least fifty percent of the customer base be located outside New Mexico.

~~[O-]~~ **P. 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 <http://onetonline.org>.

~~[P-]~~ **Q. Peak employment:** First time JTIP applicants: Peak employment will be based on the employment average from two 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.

~~[Q-]~~ **R. 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 two years to determine peak employment at the time of reapplication to ensure an expansion is indeed occurring.

~~[R-]~~ **S. Retail trade:** Retail establishments are those which are engaged in retailing merchandise and rendering services incidental to the sale of merchandise, such as installation. Retailers may operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers, or use other forms of sales techniques, including the sale of goods through the internet, online catalogs, portable stalls, and infomercials. Retail trade is usually the final step in the production and distribution of goods and usually sells small amounts of a product to individuals.

~~[S-]~~ **T. Renewable energy:** is a source of power generated from resources which are naturally replenished, including but not limited to electricity or heat derived from solar, wind, tidal power, hydropower, biomass, geothermal resources and biofuels or hydrogen produced from renewable resources.

~~[T-]~~ **U. 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.

~~[U-]~~ **V. Transloading services:** The process of transferring a shipment from one mode of transportation to another in order to have goods reach their final destination. It is most commonly employed when it is physically impossible or is not economically efficient to transport goods to a final destination using only one mode of transportation. Companies that ship goods internationally are likely to use multiple methods of transport, especially if both the shipping point and the destination are located inland.

~~[V-]~~ **W. Urban communities:** An urban community is defined as a municipality with a population of sixty thousand or more according to the most recent federal decennial census. Those communities are: Albuquerque (545,852), Las Cruces (97,618), Rio Rancho (87,521), and Santa Fe (67,947). Class H counties (i.e., Los Alamos) fall under the same guidelines for reimbursement as urban communities.

~~[W-]~~ **X. 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 four 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 and Farmington MSA includes San Juan county.

~~[X.]~~ **Y.** **Rural:** Any area located outside communities defined as urban in the JTIP policy.

~~[Y.]~~ **Z.** **Veteran:** A New Mexico resident who is registered with the New Mexico workforce connection, and who served in the active military, naval or air service and who was discharged or released under conditions other than dishonorable.

~~[Z.]~~ **AA.** **Intern:** A student or recent graduate (within one year) of an academic or training program who works at a trade or occupation in order to gain work experience.

[5.5.50.15 NMAC - Rp, 5.5.50.15 NMAC, 6/26/2018; A, 7/14/2020]