

# JTIP

## JOB TRAINING INCENTIVE PROGRAM POLICY/PROCEDURES MANUAL Fiscal Year 2024



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## **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 strengthens New Mexico's economy by providing financial incentives to companies that create new economic-base jobs in New Mexico. Training funded by JTIP also elevates the skill level of the New Mexico residents who fill funded positions.

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) or to NMAC 5.5.50.

### **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 50% 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 are required to have a physical presence (real estate either purchased or leased) in 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.

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

### **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 20% of the total number of jobs applied for in the proposal. 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 "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 with more than 20 employees 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) 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. Reimbursement rates are outlined in detail in the "Reimbursable Expenses" section of this policy manual.

Student interns and apprentices who have worked for the company temporarily as part of an academic or work-based training program may be considered for JTIP positions.

## 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 portion of trainee wages up to 75% for up to six months of initial training.
- A portion of the cost of providing customized classroom training at a New Mexico post-secondary public educational institution.

## Program Management and Administration

General management of the Job Training Incentive Program is the responsibility of the Industrial Training Board, also known as the JTIP 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. Such measures may include, but are not limited to considering applications from rural companies only, reducing the base reimbursement rates, eliminating reimbursement add-ons, reducing the number of eligible training hours and implementing funding caps.

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 skills 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.

## 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: companies that manufacture a product in New Mexico and certain non-retail service providers.
  - 1) Manufacturing businesses are typically included in Sectors 31-33 of the North American Industry Classification System (NAICS). 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 customer premises is excluded, unless the company and jobs exist for the sole purpose of producing or installing environmentally sustainable products (see definition of Green Industries in Glossary). A company whose employees are compensated solely on piecework is not eligible. Other types of companies that may be eligible under the manufacturing category are listed below:
    - Manufacturers that perform research and development and engineering functions for their own products in New Mexico but manufacture elsewhere.
    - Start-ups and early-stage manufacturing companies. The company must be adequately capitalized to reach first production and be able to deliver service per criteria and procedures as set forth by and at the discretion of the JTIP board.
    - Renewable power generators.
    - Film post-production companies, and film digital production companies (such as animation and video game production companies).

- Non-traditional agricultural entities may be eligible under the manufacturing category provided that the operation is a year-round, value-added production facility in a controlled and enclosed environment. Such operations may have mechanized processes, require a specialized workforce or may be involved with research and development or technology transfer.
- 2) Non-retail service businesses 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. Eligible non-retail service businesses must demonstrate that at least 50% of their revenues come from a customer base outside New Mexico. Businesses that may be eligible as non-retail service providers may include:
- Companies that exist for the sole purpose of producing, installing, or integrating environmentally sustainable products (see definition of Green Industries in Glossary). Companies that meet the Green Industry criteria are not required to generate out-of-state revenues.
  - Service companies that provide a non-retail service to government agencies may be eligible. Revenue derived from contracts with national research laboratories or military bases located in New Mexico is not considered out-of-state. National research laboratories in New Mexico or companies that operate national research laboratories in New Mexico are not eligible.
  - Logistics companies that provide inbound and outbound transportation management, fleet management, warehousing, materials handling, order fulfillment, logistics network design, inventory management, supply and demand planning, third-party logistics management, and other support services. Logistics services are involved at all levels in the planning and execution of the movement of goods and information from point of origin to point of consumption for the purpose of conforming to customer requirements. Distribution and transloading services are included within the logistics category (see Glossary for definitions of distribution and transloading services).
  - Aviation Maintenance, Repair and Overhaul (MRO) operations may be eligible. MRO's provide airframe, engine and component services to the aviation industry, including aircraft such as planes, jets and helicopters in need of regular maintenance, repair and adjustments to keep in working order according to federal regulations. A contracted third-party or the owner of the aircraft may bring the aircraft to New Mexico for service.
  - Start-ups and early-stage companies may be eligible.
    - The company must be adequately capitalized to reach first production and able to deliver service per criteria and procedures as set forth by and at the discretion of the JTIP board.

Business operations that do not generate gross receipts within New Mexico may be eligible if at least 50% of the customer-base is outside New Mexico and service is provided to customers who are not physically present at the New Mexico facility. Companies in this category may be part of a multi-state entity or corporation that have a location in New Mexico and whose revenues flow to the New Mexico business operation, which in turn pay the wages of the New Mexico employees and contribute to the New Mexico tax base in the form of corporate and payroll taxes. Businesses that may be eligible under this category may include:

- Headquarters Operations: The center of operations of a business where corporate staff employees are physically employed; centralized functions are performed, including administrative, planning, managerial, human resources, purchasing, information technology and accounting, but not including operating a call center; the function and purpose of which is to manage and direct most aspects and functions of the business operations within a subdivided area of the United States; from which final authority over regional or sub-regional offices, operating facilities and any other offices of the business are issued; and including national and regional headquarters if the national headquarters is subordinate only to the ownership of the business or its representatives and the regional headquarters is subordinate to the national headquarters.

- Shared Services Centers: The entity within a corporation responsible for the execution and the handling of specific operational tasks, such as accounting, human resources, payroll, IT, legal, compliance, purchasing, for a regional or national division.
- Customer Support Centers: Customer support centers must service a customer who is not physically present at the facility. The customer support center must have a facility separate from other business operations (for example, a retail store). Positions that require outbound sales, solicitation, collections, or telemarketing are not eligible for JTIP funds, unless they are in response to inbound requests and existing clients, or business to business.
  - Contract-based customer support centers must meet special requirements. Contract-based customer support centers are outsourcing vendors that provide information to customers of their clients on behalf of those clients. Contract-based customer support centers do not have a core expertise; rather they communicate information provided to them by their clients.
    - Contract-based customer support centers must provide evidence of a minimum five-year lease or purchase of a facility in New Mexico.
    - Contract-based customer support centers must offer employees and their dependents health insurance coverage and must contribute at least fifty percent of the premium for healthcare insurance for those employees who choose to enroll.
    - Eligibility as an expanding company is determined by peak employment over the four prior years. For first-time applicants, peak employment is based on the employment average from four previous years or the present employment level, whichever is higher. The company must meet or exceed the average employment level for the past four years in order to be considered an expanding company and eligible for JTIP. Contract-based customer support centers that have been funded in the past four years must be expanding beyond the peak employment count achieved with previous JTIP funds.

2. The company must be creating new jobs, whether due to expansion in New Mexico or relocation to the State of New Mexico.

An expanding company is defined as an existing business that requires additional employees or workforce due to a market or product expansion. Eligibility as an expanding company is determined by peak employment over the two prior years. For first-time applicants, peak employment is based on the employment average from two previous years or the present employment level, whichever is higher. The company must meet or exceed the average employment level for the past two years in order to be considered an expanding company and eligible for JTIP. For companies that have been funded by the program within the past two years, 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. A company may be allowed to exclude JTIP intern positions and apprentices when calculating the two-year average headcount.

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 H 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 (profit and loss, balance sheets, statements of cash flow, sales projections, and financing term sheets if applicable) as part of the application process. Year-to-date financials may also be requested. Start-ups and early-stage manufacturing companies may be eligible. The company must be adequately capitalized to reach first production and able to deliver service per criteria and procedures as set forth by and at the discretion of the JTIP board. Start-ups and early-stage companies that do not have three years of financials are required to submit financials for the

period for which they are available. Other documentation that may be requested may include, but is not limited to, tax returns, evidence of operating capital and investment funding, evidence of signed contracts, a business plan, and pro forma financial statements which would substantiate the 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 layoffs of JTIP trainees occur within one (1) year of the completion of training, the JTIP Board will require the refund of the funds associated with any JTIP trainee(s) that were claimed, and subsequently laid off. 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. The board will require a refund of funds from companies whose JTIP reimbursement exceeds \$100,000. The board will require a refund of funds within 90 days of notification. 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 the remaining training hours.  
  
If a Customer Support Center that received JTIP funds closes or if layoffs of JTIP trainees occur within two (2) years of the completion of training, the JTIP Board will require the refund of funds associated with any JTIP trainee(s) as described in the first paragraph of item 6 above.
7. Industries that are not eligible include but are not limited to retail, construction, traditional agriculture and farming, mining and extractive industries, health care, casinos, and tourism-based businesses (hotels, restaurants, etc.). The board uses the North American Industry Classification System (NAICS) as a general guideline to establish industry classification and eligibility.
8. Companies must be in good standing with the Economic Development Department in order to be considered for participation in JTIP.
9. Companies are required to have a physical presence (real estate either purchased or leased) in New Mexico.

### **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 may be eligible for the High Wage Job Tax Credit. These levels are \$60,000 in a municipality with a population of 60,000 or more as of the most recent federal decennial census and \$40,000 in other locations. Information on this incentive for job creation is available at the New Mexico Taxation and Revenue Department website <http://www.tax.newmexico.gov>.
4. Eligible positions include those directly related to the creation of the product or service provided by the company to its customers. Positions eligible under JTIP must directly support the primary mission of the business. In addition, other newly created positions may be funded up to a maximum of 20% of the total number of jobs for which funding is requested and may include non-executive, professional support positions. 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. For headquarter facilities eligible positions may include non-executive professional support positions including finance, human resources, legal, facilities management, engineering, research and development, planning, IT, sales, marketing and general administration.
5. Intern positions may be eligible provided the trainee is enrolled in, or has graduated within the past twelve months from, a training or academic program and meets JTIP eligibility requirements. Intern positions may be part-time (less than 32 hours per week). The intern position must be relevant to the training or

academic program in which the trainee is enrolled, or from which the trainee has graduated, but is not required to be production or service related. Companies will be reimbursed upon evidence of direct full-time employment offered within 90 days of completion of the internship and graduation from the training or academic program, or within 90 days of completion of the internship by a recent graduate.

6. Remote worker trainees may be eligible if all of the trainee qualifications and requirements as defined in policy under Trainee Eligibility. For companies that hire remote workers, the reimbursement percentage for the remote employee shall be linked to the location of the employee. Urban companies must also offer the remote workers that reside in a rural or frontier location a wage that is consistent with the urban location. Conversely, a rural or frontier company that hires a remote worker from an urban location, the reimbursement percentage will be linked to the urban location and must also meet the minimum entry wage requirement respective to the O\*NET job zone for an urban location in order to qualify for the hours of training assigned to that job zone.

## **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 board approval 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 in the same position is allowed under the JTIP program. Current or previous employees, or individuals who have worked as contractors to the company are not eligible to be hired under JTIP in the same or similar position as the one previously occupied or contracted. JTIP staff determines eligibility of these positions and trainees on a case by case basis, and if deemed eligible, training hours may be reduced. The vacancy left by an existing employee moving in to a JTIP position must be filled by the end of the contract period. Individuals who have been employed temporarily in a position classified as intern or apprentice in order to gain practical training that connects an academic pathway into work based or relevant business experience may be eligible. Current company employees may be eligible for training under the New Mexico enhanced skills training program, STEP UP.
2. Trainees must have resided in the State of New Mexico for a minimum of one continuous year at any time before beginning training. The one-year residency requirement may not apply to a trainee hired in to 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. All trainees must currently be domiciled in New Mexico.
3. Trainees must be of legal status for employment.
4. Trainees shall not have terminated a public-school program except by graduation or HSE certification within the three months prior to beginning training.
5. Trainees who have been claimed in a previous JTIP project are not eligible to be claimed again with the same company, unless the trainee was claimed as a JTIP intern.
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 project. However, promotions may be allowed during the training period to another position in the project as long as the pay remains at least equal to the previous job and the promoted job is among the approved jobs for the project. JTIP staff should be notified within 15 days of the promotion if the company wishes to be reimbursed for the employee's training.
8. Trainees' start dates must occur within six months of the board approval date.
9. Trainees hired through a temporary staffing agency may be eligible for funding provided the following conditions are met.
  - The trainee must be hired by the company as a regular/permanent full-time employee following the temporary agency's contract agreement that stipulates the number of consecutive work hours the assigned trainee must meet, not to exceed "520" hours.



- JTIP training hours will begin when the trainee has been converted to a regular/permanent full-time position of the JTIP company.
  - The trainee must not have worked at the company in a temporary position through a staffing agency prior to the board approval date.
10. Trainees hired by a company through a Professional Employer Organization (PEO) may be eligible for funding provided the PEO agrees to comply with all JTIP requirements for the compliance and final auditor's reviews as outlined in the JTIP Project Closeout Guide and in the "Procedural Overview" section of this policy manual.
  11. Companies are reimbursed for wages as each trainee completes the approved training hours.
  12. If a trainee leaves the company before completing the approved training hours, the company is not eligible for any reimbursement for that trainee. If another trainee can be hired in that position within the hiring period and completes training within one year of the board approval date, a claim may be submitted for the successful trainee.
  13. Remote worker trainees may be eligible if all of the trainee qualifications and requirements as defined in policy under Trainee Eligibility.

## **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 "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 match, and training units. Each unit will include core content or objectives, methods and materials, methods of evaluation, and requested hours. The training plan must cover the entire period for which reimbursement is requested. A more detailed description of the training plan requirements is included in the [JTIP Online Application & 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 project agreement will comply with governing legislation. A sample project agreement is available from JTIP staff and within the JTIP Online Application.

### **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 trainees are eligible to attend the training at JTIP's expense. If the company chooses to include existing employees in the customized training, then it is the company's responsibility to arrange for payment for those individuals separate from JTIP. 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 the participating company will work with the Economic Development Department to establish the training project, its content, scope, and training standards to ensure that the program meets or exceeds the company's requirements.
2. The custom training will be integrated into the training plans submitted by the company in the coordinating JTIP proposal.
3. The 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 is consistent with JTIP policy and ranges from fifty percent to seventy-five percent based on company location. If the employer's in-kind contribution to the training (employee wages paid to JTIP trainee while attending classroom training exceed the cost of the training, then the reimbursement will be one hundred percent. Industry recognized certification programs are eligible for JTIP funding. The training may be provided through public or private educational institutions in New Mexico, private training organizations, national training certification programs, corporate trainers or a combination of training providers. The training may be conducted at the business's own facility, at the training provider's facility or virtually. Reimbursement for classroom training will have a cap of \$6,000 per trainee. 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.
5. The executed project agreement shall comply with the governing legislation.

## **REIMBURSABLE EXPENSES**

The following expenses may be eligible for reimbursement through JTIP.

- A percentage of trainee wages for up to six months of initial training.
- Cost of providing custom classroom training at a New Mexico post-secondary public educational institution with a cap of \$6,000 per trainee. Reimbursement for classroom training is consistent with JTIP policy and ranges from fifty percent to seventy-five percent based on company location.
- A percentage of intern wages for up to 640 training hours.

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 100%.

The Job Training Incentive Program allows for reimbursement only at the completion of training. If trainee does not complete the training period, no funds can be claimed for that trainee. If another trainee can be hired in that position within the hiring period and complete training within one year of board approval 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 portion of trainee wages during the initial training period. The percentage of reimbursement ranges up to 75%, depending on the business location.

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://www.onetonline.org/>. Each job in the O\*NET system is assigned to one of five job zones, with recommended training hours for each zone.

For fiscal year 2024, the JTIP board may maintain wage requirements effective in the first year of JTIP approval for the length of the job ramp within the Project Participation Agreement (PPA) for companies that are also engaged in a LEDA agreement with the Economic Development Department provided the company meets job creation requirements within that period and wages do not fall below the statewide minimum wage.

The number of recommended hours for fiscal year 2024 are outlined in the table below.

| <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/<br/>Conversions</b>     | <b>Hours</b>        | <b>Min. Wage<br/>@ Hiring -<br/>Urban</b> | <b>Min. Wage<br/>@ Hiring -<br/>Rural</b> | <b>Days</b>       | <b>Weeks</b>     |
| <b>1</b>  | <b><u>Little or no preparation needed</u></b> | <b><u>Below 4.0</u></b>               | <b><u>320</u></b>   | <b><u>15.50</u></b>                       | <b><u>13.18</u></b>                       | <b><u>40</u></b>  | <b><u>8</u></b>  |
| <b>2a</b>   | <b><u>Some preparation needed</u></b>         | <b><u>4.0 to &lt; 6.0</u></b>         | <b><u>480</u></b>   | <b><u>17.00</u></b>                       | <b><u>13.68</u></b>                       | <b><u>60</u></b>  | <b><u>12</u></b> |
| <b>2</b>  | <b><u>Some preparation needed</u></b>         | <b><u>4.0 to &lt; 6.0</u></b>         | <b><u>640</u></b>   | <b><u>18.50</u></b>                       | <b><u>14.18</u></b>                       | <b><u>80</u></b>  | <b><u>16</u></b> |
| <b>3a</b>   | <b><u>Medium preparation needed</u></b>       | <b><u>6.0 to &lt; 7.0</u></b>         | <b><u>800</u></b>   | <b><u>20.00</u></b>                       | <b><u>15.68</u></b>                       | <b><u>100</u></b> | <b><u>20</u></b> |
| <b>3</b>  | <b><u>Medium preparation needed</u></b>       | <b><u>6.0 to &lt; 7.0</u></b>         | <b><u>960</u></b>   | <b><u>21.50</u></b>                       | <b><u>16.68</u></b>                       | <b><u>120</u></b> | <b><u>24</u></b> |
| <b>4</b>  | <b><u>Considerable preparation needed</u></b> | <b><u>7.0 to &lt; 8.0</u></b>         | <b><u>1,040</u></b> | <b><u>24.50</u></b>                       | <b><u>17.68</u></b>                       | <b><u>130</u></b> | <b><u>26</u></b> |
|   | <b><u>Align with HWJTC</u></b>                | <b><u>Additional five percent</u></b> |                     | <b><u>28.85</u></b>                       | <b><u>19.23</u></b>                       |                   |                  |

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 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 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 (urban/rural). 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. 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 and/or sufficient appropriations.

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

- 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 50% for all eligible training hours. Urban communities are: Albuquerque, Las Cruces, Rio Rancho, and Santa Fe.
- Companies located in rural areas, areas outside the city limits of those listed above, are reimbursed at up to 65% for all eligible training hours.
- Companies located in frontier areas are reimbursed at up to 75% for all eligible training hours. Frontier includes:

- Communities with a population of 15,000 or fewer and outside an MSA.
- Native American reservations.
- Economically distressed areas in New Mexico. To be considered economically distressed, the area must be 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.
- Federally designated Colonias in New Mexico.

The standard wage reimbursement rates for high-wage positions filled by trainees who do not meet the one-year residency requirement are a reduced, flat rate based on the company location as follows:

- Companies located in urban areas and Class H counties are reimbursed up to 30% for all eligible training hours.
- Companies located in rural areas are reimbursed up to 40% for all eligible training hours.
- Companies located in frontier areas are reimbursed up to 50% for all eligible training hours.

### **Additional Wage Reimbursement**

Standard reimbursement rates for wages are up to 75%. JTIP eligible positions with starting wages at levels eligible for the High Wage Job Tax Credit may be eligible for an additional 5% reimbursement. These requirements are a hiring salary of \$60,000 or higher in an urban location 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.

Positions filled by trainees who meet any of the following three criteria may be eligible for an additional 5% 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 in the “Reimbursable Expenses” section of this policy manual for Zones 1, 2, 3 and 4:

- Trainee has graduated within the past twelve months from a post-secondary training or academic program at a New Mexico higher education institution
- Trainee is a U.S. Veteran
- Trainee has graduated out of the NM Foster Care System.

Additional wage reimbursement may not exceed 10% above the standard rates. Companies may combine one of the three conditions above with the additional 5% wage reimbursement for high-wage positions, for a total additional wage reimbursement not to exceed 10% above the standard rates.

JTIP approved employers that utilize business support services through the recognized New Mexico Workforce Connection offices across the state or through other independent human resource support service providers that help small businesses develop successful recruitment strategies to grow and retain their workforce may be eligible for an additional five percent reimbursement above the standard rates.

### **Additional Guidelines for Wage Reimbursement**

- 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.
- Eligible trainee hours shall not exceed one thousand and forty (1,040) hours (six months) per trainee 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, commission 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 approved amount are the responsibility of the company.

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

For companies that hire remote workers, the reimbursement percentage for the remote employee shall be linked to the location of the employee. Urban companies must also offer the remote workers that reside in a rural or frontier location a wage that is consistent with the urban location. Conversely, a rural or frontier company that hires a remote worker from an urban location, the reimbursement percentage will be linked to the urban location and must also meet the minimum entry wage requirement respective to the O\*NET job zone for an urban location in order to qualify for the hours of training assigned to that job zone.

Rural – 65%

Frontier, Tribal & Federally designated Colonias – 75%

### **Reimbursement for Custom Classroom Training**

Payment for classroom training services shall be made only for a qualified and approved program. Reimbursement for classroom training is consistent with JTIP policy and range from fifty percent to seventy-five percent based on company location. If the employer's in-kind contribution to the training (employee wages paid to JTIP trainee while attending classroom training exceed the cost of the training, then the reimbursement will be one hundred percent. Industry recognized certification programs are eligible for JTIP funding. The training may be provided through public or private educational institutions in New Mexico, private training organizations, national training certification programs, corporate trainers or a combination of training providers. The training may be conducted at the business's own facility, at the training provider's facility or virtually. Reimbursement for classroom training will have a cap of \$6,000 per trainee.

Facilities rental outside a public educational institution and equipment rental or purchase are not eligible for JTIP funds unless facilities are not available at the company or the educational institution.

No training equipment may be purchased or rented using JTIP funds.

### **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. The JTIP online application and supporting documentation are what make up the complete proposal. Information and documentation which must be included in the proposal is explained in detail in the [JTIP Online Application & 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 established industry leader.
2. Quality of jobs with respect to wages and benefits. Companies are encouraged to pay at levels which may be eligible for the High Wage Job Tax Credit (\$60,000 in urban locations and \$40,000 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 trainees.
5. Charitable and community contributions.
6. Current on NM CRS-1 and UI reporting.
7. Any other factors the board deems relevant.

### **PROCEDURAL OVERVIEW**

The procedure for completing a funding proposal is explained in detail in the [JTIP Online Application & Proposal Guide](#). The procedure for program participation once funding is approved is described in the [JTIP Administrative Overview](#). 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.

1. Proposals and project 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. Early submission is required to allow JTIP staff and board members to review the materials and request clarification or additional information if needed. Proposals are finalized and made available to board members for their review 10 days prior to the board meeting date.
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. Year. The project start date is the date of the board meeting at which funding was approved. The project shall terminate upon notice by the Economic Development Department to the company that the department has paid the final claim for reimbursement due under the agreement and that the company has satisfied its obligations regarding project compliance. All claims for reimbursement must be submitted within 30 days of the completion of training. The Agreed Upon Procedure must be completed and the Company Closeout Report submitted within 90 days of the completion of training.
4. The project agreement will be prepared and sent to the company within 15 working days after the board approval date. A sample agreement is available from JTIP staff and within the JTIP online application. Companies are encouraged to review the agreement before applying for funding, as the agreement template cannot be edited.
5. The company must return the signed project 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 Workforce Connection. 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 project start date, which is the board approval date. This timing ensures that trainees who are eligible for six months of training will complete the program within one year of the project start date.
8. The company must submit an online hiring report at the end of the six-month hiring period. When the company submits the hiring report, the allocation of funds for the project will be adjusted to reflect the number of people hired.
9. Claims for reimbursement should be submitted as trainees complete the total approved training hours.
10. The company shall have at least one compliance review conducted by JTIP personnel during the term of the project. The initial compliance review is conducted upon submission of the first claim for reimbursement. The compliance review report is due to the department before the claim will be processed and paid.
11. 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 by an independent accounting firm registered with the New Mexico Regulation and Licensing Department, Board of Accountancy. The Agreed-Upon Procedure requirement does not apply to projects for custom training at New Mexico higher educational institutions. These institutions must meet all other program requirements and are subject to a compliance audit by JTIP staff. The Agreed-Upon Procedure requirement may be waived at the discretion of the JTIP Program Manager for projects with total claims for reimbursement under \$10,000 or for one trainee. In these instances, the company must have been in good standing with the program throughout the project period and completed a compliance review with no findings. In the event that the company submits more than one claim for reimbursement, a second and final compliance review must be completed with no findings. The Agreed-Upon Procedure may not be waived for two projects in a row.
12. The final claim for reimbursement should be submitted with the completed agreed-upon procedure report. The final wage claim will be paid once the agreed upon procedure report has been received and approved favorably.

13. Annual follow-ups are conducted to show effectiveness of the program, including surveys to address company retention, wages 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.
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.
15. Companies that are not in good standing with other Economic Development Department programs may not be eligible for JTIP.

## **AMENDMENTS**

Amendments to the project 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 trainees 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 written request describing the change and the reason for the change, 2) a completed online amendment application, and in some cases a current financial statement and UI report.

Amendments to add new types of positions not already a part of the project must be approved by the JTIP board before the trainees are hired. Amendments which increase the number of trainees in approved positions and increase the budget by more than \$10,000 must also be approved by the board prior to trainees being hired.

Amendment requests which are administrative in nature and do not increase the original budget amount by more than \$10,000 may be executed by JTIP staff. Examples include job classification changes, company name change and changes to wage ranges. Amendments to increase the number of positions in an approved job classification, or to add a job classification previously approved by the board in a prior application may be executed by JTIP staff without board approval if the training plan and job description remains unchanged and the request does not increase the original budget by more than \$10,000. Amendments to decrease the number of positions in the project, including the release of funds for positions not filled within the hiring period, may also be executed by JTIP staff without board approval. The program manager will approve all staff executed project changes. Otherwise, the JTIP Board must approve all project amendments.

If a company requests an amendment increasing the original project by more than 50% or \$100,000, whichever is the lesser amount of the two, a new proposal must be submitted.

All project amendment requests must be submitted in writing through the JTIP online application four weeks 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.

## **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 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 South St. Francis Drive  
Santa Fe, NM 87505-4147

## **GLOSSARY**

### **Apprentice**

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

### **Agriculture (traditional)/Mining/Extractive Industries**

Companies classified in Agriculture, Mining and Extractive Industries by the North American Industry Classification System (NAICS) are not eligible for JTIP.

### **Colonia**

Nonmetropolitan, unincorporated neighborhoods and incorporated communities within 150 miles of the US-Mexico border that lack sewer, water or decent housing, or a combination of all three. There are 119 federally designated Colonias in New Mexico.

### **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 and/or services to consumers or corporate entities such as governments, charities, or other businesses.

### **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.

### **Economically Distressed Areas**

Companies located in an economically distressed area in New Mexico are eligible for up to 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 two prior years. (Refer to "Peak Employment.")

### **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.

### **Frontier**

For the purposes of JTIP, frontier areas are communities with population of less than 15,000 based on the most recent decennial census and located outside a designated MSA, Native American reservations, and economically distressed areas.

### **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.

### **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-base 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/year in a community with a population of less than 60,000 and \$60,000/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.

### **Independent Human Resource Support Services**

Third-party services other than staffing agencies and professional employment agencies (PEO's), used by businesses to compliment existing HR processes or to fill the gap when business completely lacks HR personnel or capabilities. HR support services include recruiting and retention strategies, interviewing effectiveness training, job description and training plan development, skills assessment tools, salary benchmarking, fostering company culture as well as organizational and employee data management, and activities in learning and development

### **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.

### **Layoff**

Layoff is defined as a strategic and organized event of separation of employees from an establishment that is initiated by the employer as a result of market forces or other factors not related to employee performance.

### **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.

### **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, Tarrant, and Valencia Counties. Farmington MSA includes San Juan County. Las Cruces MSA includes Dona Ana County. Santa Fe MSA includes Santa Fe 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/cgi-bin/sssd/naics/naicsrch](http://www.census.gov/cgi-bin/sssd/naics/naicsrch).

### **Native American Crafts**

Funds 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 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 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 JTIP criteria for green industry are exceptions to the requirement that at least 50% of the customer base be located outside New Mexico.

## **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://www.onetonline.org/>.

## **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.

## **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 project plus the number of employees funded through that project. 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.

## **Remote Worker**

A person who is working partially or entirely at a remote work site. Remote work site is any location where a worker performs work duties that is separate from the physical location of the company.

## **Renewable Energy**

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.

## **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 and services 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.

## **Rural**

A rural community is any area located outside the city limits of 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.

**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.

**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, Las Cruces, Rio Rancho and Santa Fe. Class H counties (i.e., Los Alamos) fall under the same guidelines for reimbursement as urban communities.

**U.S. 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.