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Gov. Michelle Lujan Grisham
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JTIP Approves Hiring Incentives to Support Foster Care Graduates

Board also adjusts guidelines to address COVID-19

SANTA FE, N.M. – The Job Training Incentive Program (JTIP) Board has approved an additional 5% wage reimbursement for businesses that hire young adults who have aged out of state foster care, Economic Development Department Cabinet Secretary Alicia J. Keyes announced today.

The additional incentive was approved by the JTIP board on June 12 after a recommendation from Gov. Michelle Lujan Grisham, who met with young adults formerly in the care of the Children, Youth & Families Department (CYFD) during a Spring roundtable.

“I’d like to thank the JTIP Board for recognizing New Mexico’s responsibility to these young adults and taking this common-sense action to help them, while also helping New Mexico employers. As any parent knows, most 18-year-olds still need some support to successfully launch their adult lives. It’s only right for the state to provide that extra boost for those young adults who were our charges until recently, and this program does that,” Gov. Lujan Grisham said. “It will incentivize New Mexico businesses to hire and train these former foster children to be successful in the workforce.”

“Getting a job is frequently made possible by who you know. Most of us have connections and social networks that develop over time and often start with our families. Many youth in our foster system are therefore at a disadvantage when trying to enter on a career path,” CYFD Cabinet Secretary Brian Blalock said. "Through this important change, JTIP is helping level the playing field, giving our youth a chance."
Currently, JTIP funds help offset the cost to train new employees, or those wishing to move into higher paying, more skilled jobs within their existing place of employment.

"This initiative is a great example of how collaboration with the governor and among state agencies can result in real changes that improve the lives of those we serve," Cabinet Secretary Keyes said. "We can't emphasize enough how much JTIP helps workers by making it easier for businesses to invest in training for employees who might be new to the workforce or who want to advance and earn higher pay."

JTIP reimburses companies 50-75% of trainee wages for up to 6 months. Under current JTIP policy, companies have the opportunity to receive additional wage reimbursement, above the standard rates, if the trainees meet certain criteria, including military veterans, graduates of in-state colleges, and those in rural or high-paying jobs. This new ruling expands the criteria to include an additional reimbursement of 5 percent for hires who were in the New Mexico foster care system.

The changes are effective on July 1, 2020 for two years, at which time the board will assess the utilization and success in order to determine whether to sunset, extend, or make it a permanent policy item.

To address the effects of the COVID-19 health emergency, the JTIP Board also made the following changes for companies receiving JTIP funds:

- Companies within the 6-month hiring period, who 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 a 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.
- If a company allows trainees to telework, the hours worked may be counted toward the JTIP training hours.
- For Fiscal Year 2021, the expansion requirement for all companies will be that the employee headcount at the time of application is at least at or above the two-year average headcount.

JTIP reimburses training expenses after training is complete and companies can apply multiple times for funding as they expand and upgrade their employees. Funds are not dependent upon the size of the company. The JTIP Board chooses projects based on their viability for staff expansion, community economic development, target industry (diversification), and high-wage job availability.

JTIP is an essential training and incentive tool that helps small, local businesses that have been here for decades hire and train as few as two employees, all the way up to helping relocate large, advanced manufacturing operations that create hundreds or thousands of new jobs.

Since Gov. Lujan Grisham took office, 117 businesses have received awards and 3,185 workers were trained. JTIP has helped create 2,760 new jobs in 21 New Mexico communities.

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Feb. 1, 2020, .Gov. Michelle Lujan Grisham met with Monica Ly and other graduates of the state foster care system. Photo courtesy NMCAN

The New Mexico Economic Development Department's mission is to improve the lives of New Mexico families by increasing economic opportunities and providing a place for businesses to thrive.

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