

Employment and Training Administration

Job Training Partnership Act and Targeted Jobs Tax Credit; Lower Living Standard Income Level

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice of determination of lower living standard income level.

SUMMARY: The Job Training Partnership Act (JTPA) provides that the term "economically disadvantaged" may be defined as 70 percent of the "lower living standard income level" (LLSIL). To provide the most accurate data possible, the Department of Labor is issuing revised figures for the LLSIL. The Internal Revenue Code also provides that the term "economically disadvantaged" may be defined as 70 percent of the LLSIL for purposes of the Targeted Jobs Tax Credit (TJTC).

EFFECTIVE DATE: This notice is effective on April 25, 1995.

ADDRESSES: Send written comments to: Ms. Diane Mayronne, Office of Employment and Training Programs, Employment and Training Administration, Department of Labor, Room N-4463, 200 Constitution Avenue NW., Washington, DC 20210.

FOR FURTHER INFORMATION CONTACT: Ms. Diane Mayronne, Telephone: 202-219-5305 (this is not a toll free number).

SUPPLEMENTARY INFORMATION: It is a purpose of the Job Training Partnership Act (JTPA) "to afford job training to those economically disadvantaged individuals * * * who are in special need of such training to obtain productive employment." JTPA Section 2; see 20 CFR 626.1 and 626.3(b). JTPA Section 4(8) defines, for the purposes of JTPA eligibility, the term "economically disadvantaged" in part by reference to the "lower living standard income level" (LLSIL). See 20 CFR 626.5.

The LLSIL figures published in this notice shall be used to determine whether an individual is economically disadvantaged for applicable JTPA purposes. JTPA Section 4(16) defines the LLSIL as follows:

The term "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary [of Labor] based on the most recent "lower living family budget" issued by the Secretary.

Internal Revenue Code (I.R.C.) Section 51 established the Targeted Jobs Tax Credit (TJTC) for a portion of the wages paid by employers to employees from "targeted" groups who begin work for the employer before January 1, 1995. 26

U.S.C. 51(c)(4). Certain of the targeted groups require that the worker be a member of "an economically disadvantaged family." See, e.g., 26 U.S.C. 51(d)(3)(A)(ii), (4)(C), (7)(B), (8)(A)(iv), and (12)(A)(iv). Pursuant to 26 U.S.C. 51(d)(11), the LLSIL is used to determine whether an individual is a member of an economically disadvantaged family for applicable TJTC purposes. Since the determination of whether an individual is a member of an economically disadvantaged family necessarily will relate to a period prior to 1995, the LLSIL figures in this notice will not be utilized by the TJTC program under current law.

The most recent lower living family budget was issued by the Secretary in the fall of 1981. Using those data, the 1981 LLSIL was determined for programs under the now-repealed Comprehensive Employment and Training Act, and for the TJTC. The four-person urban family budget estimates previously published by the Bureau of Labor Statistics (BLS) provide the basis for the Secretary to determine the LLSIL for training and employment program operators. BLS terminated the four-person family budget series in 1982, after publication of the Fall 1981 estimates.

Under JTPA, the Employment and Training Administration (ETA) published the 1994 updates to the LLSIL in the **Federal Register** of April 22, 1994. 59 FR 19241. ETA has again updated the LLSIL to reflect cost of living increases for 1994 by applying the percentage change in the December 1994 Consumer Price Index for All Urban Consumers (CPI-U), compared with the December 1993 CPI-U, to each of the April 22, 1994, LLSIL figures. Those updated figures for a family of four are listed in Table 1 below by region for both metropolitan and nonmetropolitan areas. Since eligibility is determined by family income at 70 percent of the LLSIL, pursuant to Section 4(8) of JTPA, those figures are listed below as well.

Jurisdictions included in the various regions, based generally on Census Divisions of the U.S. Department of Commerce, are as follows:

Northeast

Connecticut
Maine
Massachusetts
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont
Virgin Islands

North Central

Illinois
Indiana
Iowa
Kansas
Michigan
Minnesota
Missouri
Nebraska
North Dakota
Ohio
South Dakota
Wisconsin

South

Alabama
American Samoa
Arkansas
Delaware
District of Columbia
Florida
Georgia
Northern Marianas
Oklahoma
Palau
Puerto Rico
South Carolina
Kentucky
Louisiana
Marshall Islands
Maryland
Mississippi
Micronesia
North Carolina
Tennessee
Texas
Virginia
West Virginia

West

Arizona
California
Colorado
Idaho
Montana
Nevada
New Mexico
Oregon
Utah
Washington
Wyoming

Additionally, separate figures have been provided for Alaska, Hawaii, and Guam as indicated in Table 2 below.

For Alaska, Hawaii, and Guam, the 1995 figures were updated by creating a "State Index" based on the ratio of the urban change in the State (using Anchorage for Alaska and Honolulu for Hawaii and Guam) compared to the West regional metropolitan change, and then applying that index to the West regional nonmetropolitan change.

Data on 25 selected Metropolitan Statistical Areas (MSAs) are also available. These are based on monthly, bimonthly or semiannual CPI-U changes for a 12-month period ending in

December 1994. The updated LLSIL figures for these MSAs, and 70 percent of the LLSIL, rounded to the next highest ten, are set forth in Table 3 below.

Table 4 below is a listing of each of the various figures at 70 percent of the updated 1995 LLSIL for family sizes of one to six persons. For families larger than six persons, an amount equal to the difference between the six-person and the five-person family income levels should be added to the six-person family income level for each additional person in the family. Where the poverty level for a particular family size is greater than the corresponding LLSIL figure, the figure is indicated in parentheses.

Section 4(8) of JTPA defines "economically disadvantaged" as, among other things, an individual whose family income was not in excess of the higher of the poverty level or 70 percent of the LLSIL. The Department of Health and Human Services published the annual update of the poverty-level guidelines at 60 FR 7772 (February 9, 1995).

Use of These Data

Based on these data, Governors should provide the appropriate figures to service delivery areas (SDAs), State Employment Security Agencies, and employers in their States to use in determining eligibility for JTPA. The Governor should designate the appropriate LLSILs for use within the State from Tables 1 through 3. Table 4 may be used with any of the levels designated.

Information may be provided by disseminating information on MSAs and metropolitan and nonmetropolitan areas within the State, or it may involve further calculations. For example, the State of New Jersey may have four or more figures: Metropolitan, nonmetropolitan, for portions of the State in the New York City MSA, and for those in the Philadelphia MSA. If an SDA includes areas that would be covered by more than one figure, the Governor may determine which is to be used. Pursuant to the JTPA regulations at 20 CFR 627.200, guidelines, interpretations, and definitions adopted

by the Governor shall be accepted by the Secretary to the extent that they are consistent with the JTPA and the JTPA regulations.

Disclaimer on Statistical Uses

It should be noted that the publication of these figures is only for the purpose of determining eligibility for applicable JTPA programs. BLS has not revised the lower living family budget since 1981, and has no plans to do so. The four-person urban family budget estimates series has been terminated. The CPI-U adjustments used to update the LLSIL for this publication are not precisely comparable, most notably because certain tax items were included in the 1981 LLSIL, but are not in the CPI-U.

Thus, these figures should not be used for any statistical purposes, and are valid only for eligibility determination purposes under the JTPA program.

Signed at Washington, DC, this 18th day of April, 1995.

Donald J. Kulick,
Deputy Administrator.

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Appendix

Table 1 -- Lower Living Standard Income Level By Region¹

Region	1995 Adjusted LLSIL	70 percent LLSIL
Northeast		
Metro.....	26,130	18,340
Non-Metro.....	26,210	18,350
North Central		
Metro.....	24,230	16,960
Non-Metro.....	22,910	16,040
South		
Metro.....	23,050	16,130
Non-Metro.....	21,630	15,140
West		
Metro.....	25,800	18,060
Non-Metro.....	25,150	17,600

¹
For ease of calculation, these figures have been rounded to the next highest ten dollars.

Table 2 -- Lower Living Standard Income Level -- Alaska, Hawaii and Guam¹

Region	1995 Adjusted LLSIL	70 percent LLSIL
Alaska:		
Metro.....	33,080	23,160
Non-Metro.....	32,190	22,530
Hawaii-Guam:		
Metro.....	36,130	25,290
Non-Metro.....	35,160	24,610

¹
Rounded to the next highest ten dollars.

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Table 3 -- Lower Living Standard Income Level -- 25 MSAs

Region MSA	1995 Adjusted LLSIL	70 percent LLSIL
Anchorage, AK.....	33,080	23,160
Atlanta, GA.....	22,870	16,010
Baltimore, MD.....	24,560	17,190
Boston--Lawrence--Salem, MA/NH.....	27,500	19,250
Buffalo--Niagara Falls, NY.....	23,580	16,510
Chicago--Gary--Lake County, IL/IN/WI.....	25,300	17,710
Cincinnati--Hamilton, OH/KY/IN.....	24,560	17,190
Cleveland--Akron--Lorain, OH.....	25,100	17,570
Dallas--Ft Worth, TX.....	21,970	15,380
Denver--Boulder, CO.....	24,540	17,180
Detroit--Ann Arbor, MI.....	23,350	16,350
Honolulu, HI.....	36,130	25,290
Houston--Galveston--Brazoria, TX.....	21,950	15,370
Kansas City, MO/KS.....	23,150	16,200
Los Angeles--Anaheim-- Riverside, CA.....	26,820	18,770
Milwaukee, WI.....	24,690	17,280
Minneapolis--St Paul, MN/WI.....	23,710	16,600
New York--Northern N.J.-- Long Island, NY/NJ/CT.....	27,290	19,100
Philadelphia--Wilmington-- Trenton, PA/NJ/DE/MD.....	25,700	17,990
Pittsburgh--Beaver Valley, PA.....	24,450	17,120
St Louis--East St Louis, MO/IL.....	23,490	16,440
San Diego, CA.....	26,920	18,840
San Francisco--Oakland-- San Jose, CA.....	26,570	18,600
Seattle--Tacoma, WA.....	27,380	19,170
Washington, DC/MD/VA.....	28,010	19,610

1

Rounded to the next highest ten dollars.

1

Table 4--SEVENTY PERCENT OF UPDATED 1995 LLSIL, BY FAMILY SIZE

Family of One	Two	Three	Four	Five	Six
5,450	8,930	12,260	15,140	17,870	20,890
5,530	9,070	12,450	15,370	18,140	21,210
5,540	9,070	12,460	15,380	18,150	21,220
5,760	9,450	12,970	16,010	18,890	22,090
5,770	9,460	12,990	16,040	18,930	22,140
5,810	9,520	13,070	16,130	19,030	22,260
5,830	9,560	13,120	16,200	19,120	22,360
5,890	9,650	13,240	16,350	19,290	22,560
5,920	9,700	13,320	16,440	19,400	22,690
5,940	9,740	13,370	16,510	19,480	22,780
5,980	9,800	13,450	16,600	19,590	22,910
6,110	10,010	13,740	16,960	20,010	23,410
6,160	10,100	13,870	17,120	20,200	23,630
6,190	10,140	13,920	17,180	20,270	23,710
6,190	10,140	13,920	17,190	20,280	23,720
6,220	10,200	14,000	17,280	20,390	23,850
6,330	10,370	14,230	17,570	20,730	24,250
6,340	10,380	14,260	17,600	20,770	24,290
6,380	10,450	14,350	17,710	20,900	24,440
6,480	10,610	14,570	17,990	21,230	24,830
6,500	10,660	14,630	18,060	21,310	24,920
6,600	10,820	14,860	18,340	21,640	25,310
6,610	10,830	14,860	18,350	21,650	25,320
6,700	10,970	15,070	18,600	21,950	25,670
6,760	11,070	15,200	18,770	22,150	25,900
6,780	11,120	15,260	18,840	22,230	26,000
6,880	11,270	15,470	19,100	22,540	26,360
6,900	11,310	15,530	19,170	22,620	26,460
6,930	11,360	15,590	19,250	22,720	26,570
7,060	11,570	15,880	19,610	23,140	27,060
8,110	13,290	18,250	22,530	26,590	31,090
8,340	13,660	18,760	23,160	27,330	31,960
8,860	14,520	19,930	24,610	29,040	33,960
9,100	14,920	20,490	25,290	29,840	34,900

1 Figures provided in Tables 1-3 of this notice are for a family of four persons. To use Table 4, the appropriate figure should be found in the Family of Four column. Then one may read across the row for family sizes other than four in the appropriate column.