

## 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