

DEPARTMENT OF LABOR**Employment and Training
Administration****Job Training Partnership Act,
Workforce Investment Act, and Work
Opportunity 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 Lower Living Standard Income Level (LLSIL) is a value used in a number of Federal programs, including the Job Training Partnership Act (JTPA), the Workforce Investment Act (WIA), and the Work Opportunity Tax Credit (WOTC). The JTPA provides that the term "economically disadvantaged" may be defined as 70 percent of the LLSIL. The WIA provides that the terms "low-income individual" and "disadvantaged adult" may be defined as a member of a family that received a total family income, that, in relation to family size, does not exceed 70 percent of the LLSIL. In addition, while the WIA provides that State Boards and Local Boards must set the criteria for determining whether employment leads to self-sufficiency, at a minimum, such criteria must provide that self-sufficiency means employment that pays at least 100 percent of the 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 WOTC.

EFFECTIVE DATE: This notice is effective on May 14, 1999.

ADDRESSES: Send written comments to: Mr. Ron Putz, Office of Employment and Training Programs, Employment and Training Administration, Department of Labor, Room N-4469, 200 Constitution Avenue, NW, Washington, DC 20210.

FOR FURTHER INFORMATION CONTACT: Mr. Ron Putz, telephone: 202-219-5229, x173; Fax: (202) 219-7190 (these are not toll free numbers).

SUPPLEMENTARY INFORMATION: It is a purpose of the JTPA "to establish programs to prepare youth and adults facing serious barriers to employment for participation in the labor force by providing job training and other services that will result in increased employment and earnings, increased educational and occupational skills, and decreased welfare dependency, thereby

improving the quality of the work force and enhancing the productivity and competitiveness of the Nation," JTPA section 2 and 20 CFR 626.1. JTPA section 4(8) defines, for the purposes of JTPA eligibility, the term "economically disadvantaged" in part by reference to the LLSIL.

The WIA, Pub. L. 105-220—August 7, 1998, which will be implemented between July 1, 1999 and July 1, 2000, as a replacement to JTPA, continues the use of the LLSIL standard in determining low income. WIA, section 101(25), defines the term "low income individual" for the purposes of WIA eligibility. In section 132(b)(1)(B)(v)(IV) defines the term "disadvantaged adult" in part by reference to the LLSIL. In addition, for purposes of adult eligibility, the WIA Interim Final Regulations, section 663.230, requires that the State Boards and Local Boards establish their own criteria for "self sufficiency" that, at a minimum, means employment that pays at least the LLSIL.

The LLSIL figures published in this notice shall be used to determine whether an individual is economically disadvantaged for JTPA. JTPA section 4(16) defines the LLSIL as 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. WIA, at section 101(24), directly incorporates the JTPA definition of LLSIL, and contains the specific applications as noted above.

Section 51 of the Internal Revenue Code (I.R.C.) established the WOTC for a portion of the wages paid by employers from "targeted" groups. The LLSIL figures published in this notice shall be used to determine whether an individual is a member of one of the targeted groups for applicable WOTC purposes. The period for a WOTC tax credit expires on June 30, 1999.

The most recent lower living family budget was issued by the Secretary of Labor 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 WOTC. The four-person urban family budget estimates previously published by the Bureau of Labor Statistics (BLS) provided 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 1998 updates to the LLSIL in the **Federal Register** of May 6, 1998, 63 FR 25086. ETA has again updated the LLSIL to reflect cost of living increases for 1998 by applying the percentage change in the December 1998 Consumer Price Index for All Urban Consumers (CPI-U), compared with the December 1997 CPI-U, to each of the May 6, 1998, 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, and since section 132(b)(1)(B)(v)(IV) of WIA uses the 70 percent values in defining economically disadvantaged, 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

Midwest

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 1999 figures were updated from the May 6, 1998 "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 metropolitan change.

Data on 23 selected Metropolitan Statistical Areas (MSAs) are also available. These are based on semiannual CPI-U changes for a 12-month period ending in December 1998. The updated LLSIL figures for these MSAs, and 70 percent of the LLSIL, rounded to the next highest ten, are reported in Table 3 below.

Table 4 below lists various figures at 70 percent of the updated 1999 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", section 101(25) of WIA defines "low-income individual" and section 132(a)(1)(B)(v)(IV) of WIA defines "disadvantaged adult" as, among other things, an individual whose family income was not in excess of the higher of the Department of Health and Human Services (HHS) poverty level or 70 percent of the LLSIL. HHS published the annual update of the poverty-level guidelines at 64 FR 13428 (March 18, 1999). The HHS poverty level guidelines may be found on the Internet at <http://aspe.hhs.gov/poverty/99poverty.htm>.

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 and WOTC. State and Local Workforce Investment Boards should ensure that their minimum standard for self-sufficiency and related uses, is at least the appropriate LLSIL figure. 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 Metropolitan Statistical Areas (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 under JTPA or a Workforce Development Area under WIA 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. Pursuant to WIA section 112(c) and Interim Final Rule at 20 CFR Part 652, section 661.220, a State Plan, which contains the State's vision, goals, strategies, policies and measures for the workforce investment system shall be accepted by the Secretary to the extent that they are consistent with the WIA and the WIA 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 and WOTC programs and for WIA as defined in the law and regulations. 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 for purposes under the JTPA and WOTC programs, and for WIA as defined in the law and regulations.

Signed at Washington, DC, this 7th day of May, 1999.

Shirley M. Smith,

Administrator, Office of Work-Based Learning.

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Appendix—Table 1 Through Table 4

1

Table 1 -- Lower Living Standard Income Level By Region
(FAMILY OF FOUR)

Region	1999 Adjusted LLSIL	70 percent LLSIL
Northeast		
Metro.....	28,670	20,070
Non-Metro.....	28,320	19,830
Midwest		
Metro.....	26,580	18,610
Non-Metro.....	25,150	17,610
South		
Metro.....	25,140	17,600
Non-Metro.....	24,050	16,830
West		
Metro.....	28,270	19,790
Non-Metro 2.....	27,770	19,440

1

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

2

Non metropolitan area percent changes for the West region are unpublished data.

1

Table 2 -- Lower Living Standard Income Level -- Alaska, Hawaii and Guam
(FAMILY OF FOUR)

Region	1999 Adjusted LLSIL	70 percent LLSIL
Alaska:		
Metro.....	35,820	25,080
Non-Metro.....	34,860	24,410
Hawaii-Guam:		
Metro.....	37,290	26,110
Non-Metro.....	37,220	26,060

1

Rounded to the next ten dollars.

1
 Table 3 -- Lower Living Standard Income Level -- 23 MSAs
 (FAMILY OF FOUR)

Region MSA	1999 Adjusted LLSIL	70 percent LLSIL
Anchorage, AK.....	35,820	25,080
Atlanta, GA.....	25,250	17,680
Boston-Brockton-Nashua, MA-NH-ME-CT.....	30,420	21,300
Chicago-Gary-Kenosha, IL-IN-WI.....	27,980	19,590
Cincinnati-Hamilton, OH-KY-IN....	26,620	18,640
Cleveland-Akron, OH.....	27,730	19,420
Dallas-Ft Worth, TX.....	23,920	16,750
Denver-Boulder-Greeley, CO.....	27,910	19,540
Detroit-Ann Arbor-Flint, MI.....	25,820	18,080
Honolulu, HI.....	37,290	26,110
Houston-Galveston-Brazoria, TX..	23,340	16,340
Kansas City, MO-KS.....	25,800	18,070
Los Angeles-Riverside- Orange County, CA.....	28,630	20,050
Milwaukee-Racine, WI.....	26,890	18,830
Minneapolis-St Paul, MN-WI.....	26,130	18,300
New York-Northern New Jersey- Long Island, NY-NJ-CT-PA.....	29,950	20,970
Philadelphia-Wilmington- Atlantic City, PA-NJ-DE-MD.....	27,890	19,530
Pittsburgh, PA.....	26,860	18,810
St Louis, MO-IL.....	25,490	17,850
San Diego, CA.....	29,240	20,470
San Francisco-Oakland- San Jose, CA.....	29,690	20,790
Seattle-Tacoma-Bremerton, WA...	31,010	21,710
Washington-Baltimore, DC-MD-VA-WV 2	30,320	21,230

1

Rounded to the next ten dollars.

2

Baltimore and Washington, D.C. are now calculated as a single metropolitan area.

1

Table 4--SEVENTY PERCENT OF UPDATED 1999 LLSIL, BY FAMILY SIZE

Family of One	Two	Three	Four	Five	Six
(5,890)	(9,650)	(13,240)	(16,340)	(19,290)	22,550
(6,030)	(9,890)	(13,570)	16,750	19,770	23,120
(6,060)	(9,930)	(13,640)	16,830	19,860	23,230
(6,340)	(10,390)	14,260	17,600	20,770	24,290
(6,340)	(10,390)	14,270	17,610	20,780	24,310
(6,370)	(10,440)	14,330	17,680	20,870	24,400
(6,430)	(10,540)	14,460	17,850	21,070	24,640
(6,510)	(10,670)	14,640	18,070	21,330	24,940
(6,510)	(10,670)	14,650	18,080	21,340	24,950
(6,590)	(10,800)	14,830	18,300	21,600	25,260
(6,700)	(10,980)	15,080	18,610	21,960	25,690
(6,710)	(11,000)	15,100	18,640	22,000	25,730
(6,780)	11,100	15,240	18,810	22,200	25,960
(6,780)	11,110	15,260	18,830	22,220	25,990
(7,000)	11,460	15,730	19,420	22,920	26,800
(7,000)	11,470	15,750	19,440	22,940	26,830
(7,040)	11,530	15,820	19,530	23,050	26,960
(7,040)	11,530	15,830	19,540	23,060	26,970
(7,060)	11,560	15,870	19,590	23,120	27,040
(7,130)	11,680	16,030	19,790	23,360	27,310
(7,140)	11,700	16,070	19,830	23,400	27,370
(7,220)	11,830	16,250	20,050	23,660	27,670
(7,230)	11,850	16,260	20,070	23,690	27,700
(7,370)	12,080	16,590	20,470	24,160	28,250
(7,490)	12,270	16,840	20,790	24,540	28,690
(7,550)	12,380	16,990	20,970	24,750	28,940
(7,650)	12,530	17,200	21,230	25,060	29,300
(7,670)	12,570	17,260	21,300	25,140	29,400
(7,820)	12,810	17,590	21,710	25,620	29,960
8,790	14,410	19,780	24,410	28,810	33,690
9,030	14,800	20,320	25,080	29,600	34,610
9,390	15,380	21,110	26,060	30,760	35,970
9,400	15,410	21,150	26,110	30,810	36,040

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