

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION ASU/WIA
	CORRESPONDENCE SYMBOL OPDR
	DATE September 11, 2012

ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 6-12

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: JANE OATES *Jane Oates*
Assistant Secretary

SUBJECT: Designation of Areas of Substantial Unemployment (ASUs) under the Workforce Investment Act of 1998 (WIA) for Program Year (PY) 2013

1. **Purpose.** To request that states designate ASUs in order for the Employment and Training Administration (ETA) to allot funds under WIA for the period beginning on July 1, 2013.
2. **References.** WIA Sections 127(b)(2)(B) and 132(b)(1)(B)(v)(III) define ASUs and require their designation once in each fiscal year. ETA will use these designations to allot WIA Title I, Subtitle B, Chapters 4 (Youth) and 5 (Adult) funds to states for PY 2013. WIA Section 182 requires all state allotments under Title I to be based on the latest available data and estimates satisfactory to the Secretary of Labor.
3. **Guidelines.**
 - a. **Designation Process Overview.** Every year, ETA establishes a time period for states to make their ASU designations. In coordination with ETA, the Bureau of Labor Statistics (BLS) provides data, forms, and instructions to states for use in developing and submitting unemployment estimates. BLS also validates state data submittals.
 - b. **Definitions.** An ASU is a contiguous area with a current population of at least 10,000 and an average unemployment rate of at least 6.5 percent for the 12-month reference period July 2011 through June 2012.
 - c. **Use of 2000 Census Special Runs for PY 2013 Census Sharing.** An error in the processing of the 2000 decennial Census affected unemployment and labor force data for census tracts that include group quarters and thereby reduced the quality of the data. To address this issue, beginning with PY 2007, ETA has obtained 2000 Census special data runs that provide employment and unemployment data using only household responses. These special runs will continue to be used this for this round of designations.

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4. **Procedures.** The following are procedures for submitting ASU designations:
- a. If a state has an average unemployment rate of 6.5 percent or higher for the reference period, July 2011 through June 2012, the entire state will be designated as a single ASU, and no data or forms need to be transmitted.
 - b. If the state as a whole does not qualify as an ASU, it should designate contiguous combinations of counties, cities, towns, townships, other minor civil divisions, and/or census tracts as ASUs. Such ASUs should be described using the largest appropriate units. If Local Area Unemployment Statistics (LAUS) for the candidate ASU are routinely collected by BLS, the state should report this fact and not submit any data.
 - c. If, on the other hand, LAUS for the candidate ASU are not routinely collected by BLS, the state should use data for the reference period to fill out the designation and data collection forms, obtained from BLS, and transmit them to the national offices of BLS and ETA (see Section 5).
 - d. The state should describe the geographic components of each candidate ASU in sufficient detail for a reviewer to verify that it is contiguous, does not overlap with other ASUs, and has a population of at least 10,000. States should either include supporting maps, indicating proposed ASUs, or have them available to respond to possible questions.
 - e. Not later than August 30, 2012, states should receive instructions on specific procedures to follow as well as ASU designation and data collection forms from BLS.
5. **Action Requested.** States should ensure that their forms are received in the ETA and BLS national offices by October 12, 2012. Please send the ETA copy to: Employment and Training Administration, Office of Policy Development and Research, Attention: Daniel Ryan, 200 Constitution Avenue, N.W., Room N-5641, Washington, D.C. 20210. The BLS copy should be sent to: Bureau of Labor Statistics, Division of Local Area Unemployment Statistics, Attention: Brian Hannon, 2 Massachusetts Avenue, N.E., Mail Code 140, Room 4675, Washington, D.C. 20212-0001.
6. **Inquiries.** Please direct questions to Mr. Daniel Ryan in the Office of Policy Development and Research at ryan.dan@dol.gov or (202) 693-3649 or to your ETA regional office.