

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION ASU/WIA
	CORRESPONDENCE SYMBOL OPDR
	DATE November 30, 2006

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 10-06

TO: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE LIAISONS
ONE STOP CENTER SYSTEM LEADS

FROM: EMILY STOVER DEROCCO
Assistant Secretary



SUBJECT: Designation of Areas of Substantial Unemployment (ASUs) under the Workforce Investment Act (WIA) for Program Year (PY) 2007

1. **Purpose.** To request the designation of Areas of Substantial Unemployment (ASUs) in each state as defined in the Workforce Investment Act (WIA) in order to allot funds under the Act for the period beginning July 1, 2007.
2. **References.** Sections 127(b)(2)(B) and 132(b)(1)(B)(v)(III) of the WIA define an ASU and require that ASU determinations be made once each fiscal year. These ASU designations will be used by the Department of Labor for the allotment of WIA Title I, Subtitle B, Chapters 4 (Youth) and 5 (Adult) funds to states for PY 2007. Section 182 of WIA requires all allotments to states under Title I to be based on the latest available data and estimates satisfactory to the Secretary.
3. **Guidelines.** Annually, the Employment and Training Administration (ETA) establishes an "Open Season" for the designation of potential ASUs. Unemployment estimates for these areas are used in annual fund allocations under WIA. In coordination with ETA, the Bureau of Labor Statistics (BLS) provides data, instructions and forms for the states to use in developing and submitting unemployment estimates. BLS also validates the data in state submittals.
 - a. **Definition.** 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.

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- b. Technical Adjustment for PY 2007. An error in the processing of the 2000 Decennial Census that affects unemployment and labor force data for census tracts that include group quarters (for example, college dormitories), adversely affected the quality of the data and as a result, BLS would not certify state ASU calculations that used this data starting in PY 2006 and a temporary solution was used for PY 2006 ASU designations.

To address this issue for years beginning with PY 2007, ETA has obtained special 2000 Census data runs that provide employment and unemployment data using only household responses. These data will replace the 1990 Census data that were used for census sharing for PY 2006 and previous ASU determinations. The 1990 Census data are not to be used for census sharing for PY 2007 or future ASU determinations. The new 2000 Census data and instructions for calculating ASUs were transmitted by the Bureau of Labor Statistics to the states in October.

- c. Reference Period. The 12-month reference period for the ASU designation shall be July 2005 through June 2006.

4. Procedures.

- a. If a state has an unemployment rate of 6.5 percent or higher for the reference period, the entire state will be designated an ASU, for purposes of the state allotments. In this case, no data or forms need be transmitted.
- b. If the state does not qualify in total as an ASU, the state should examine all jurisdictions within the state, and designate contiguous combinations of counties, cities, towns, townships, other minor civil divisions and/or census tracts as ASUs. ASUs designated under this section should be described using the largest appropriate defining units. If Local Area Unemployment Statistics data for the area designated as an ASU are already routinely collected by the Bureau of Labor Statistics (BLS), the state should report it, but no data need be submitted.
- c. For those designated ASUs for which data are not routinely collected by BLS, the state should prepare ASU designation and data collection forms and send them according to BLS instructions. The forms should include data for the 12-month period ending June 2006. A copy of each form should be sent to the National Offices of BLS and ETA. (See Section 5).
- d. The state should describe the geographic components of each ASU in sufficient detail for a knowledgeable reviewer to verify that they are contiguous, do not overlap and have a total population of at least 10,000 persons. States should

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either include maps with the submission or keep the maps available in case questions arise.

e. BLS is now issuing specific procedures and ASU designation forms to states, for preparation of the ASU data.

5. **Action Requested.** States should ensure that all forms are in the ETA and BLS National Offices by December 8, 2006. The copy for ETA should be sent to U.S. Department of Labor, Attention: Mr. Wayne S. Gordon, Room N-5637, 200 Constitution Avenue, N.W., Washington, D.C. 20210.

The copy for BLS should be sent to Bureau of Labor Statistics, Division of Local Area Unemployment Statistics, Mail Code 140, Room 4675, 2 Massachusetts Avenue, N.E. Washington, D.C. 20212-0001, Attention: Ms. Lisa Williamson.

6. **Inquiries.** Direct questions to Ms. Maria K. Flynn, Administrator, Office of Policy Development and Research, (202) 693-3700, or to the appropriate regional office.

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