

<b>EMPLOYMENT AND TRAINING ADMINISTRATION          ADVISORY SYSTEM          U.S. DEPARTMENT OF LABOR          Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> ASU/WIA
	<b>CORRESPONDENCE SYMBOL</b> OPDR
	<b>DATE</b> September 3, 2009

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 4-09

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

**FROM:** JANE OATES *Jane Oates*  
 Assistant Secretary

**SUBJECT:** Area of Substantial Unemployment Designation under the Workforce Investment Act (WIA) for Program Year (PY) 2010

1. **Purpose.** To request Area of Substantial Unemployment (ASU) designations in each state as defined in WIA in order to allot funds under the Act for the period beginning July 1, 2010.
2. **References.** Sections 127(b)(2)(B) and 132(b)(1)(B) (v)(III) of WIA define ASUs and require that they be designated once each fiscal year. These 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 2010. Section 182 of WIA requires all state allotments under title I to be based on the latest available data and estimates satisfactory to the U.S. Secretary of Labor.
3. **Guidelines.** The Employment and Training Administration (ETA) establishes an annual "Open Season" for potential ASU designations. Unemployment estimates for these areas are used in annual fund allotments under WIA. In coordination with ETA, the Bureau of Labor Statistics (BLS) provides data, forms, and instructions for the states to use in developing and submitting unemployment estimates. BLS also validates the state data 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.
  - b. **Use of 2000 Census Special Runs for PY 2009 Census Sharing.** An error in the processing of the "2000 Decennial Census," which affected unemployment and labor

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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force data for census tracts including group quarters (e.g. college dormitories), also adversely affected the quality of the data. As a result, BLS will not certify state ASU calculations that use these data starting in PY 2006.

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 data replace the 1990 Census data that were used for census sharing for ASU determinations prior to PY 2007. The 1990 Census data are not to be used for census sharing for PY 2010. Instead, the 2000 Census data transmitted to the states in October 2006 are to be used.

- c. Reference Period. The 12-month reference period for ASU designation shall be July 2008 through June 2009.

**4. Procedures.** The following are procedures for submitting ASU designations:

- a. If a state has an unemployment rate of 6.5 percent or higher for the reference period, the entire state will be designated as an ASU, for purposes of the state allotments. In this case, no data or forms will need to 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. ASU designated under this section should be described using the largest appropriate defining units. If Local Area Unemployment Statistics for the area designated as an ASU are already routinely collected by the BLS, the state should report it, but no data needs to be submitted.
- c. For an ASU where data are not routinely collected by BLS, the state should prepare designation and data collection forms and transmit them according to BLS instructions. The forms should include data for the 12-month period ending June 2009. 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 either include maps with the submission or keep the maps available in case questions arise.
- e. BLS is issuing specific procedures and ASU designation forms to states.

**5. Action Requested.** States should ensure that all forms are received in the ETA and BLS National Offices by October 23, 2009. The copy for ETA should be sent to: U.S. Department of

Labor, Employment and Training Administration, 200 Constitution Avenue, N.W., Room N-5641, Washington, D.C. 20210. Attention: Mr. Daniel Ryan.

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 Mr. Daniel Ryan, Office of Policy Development and Research, (202) 693-3649, or to the appropriate Regional Office.