

Supporting Statement – Part A
Local Area Unemployment Statistics

A. Justification

1. Circumstances that make the collection of information necessary

The Bureau of Labor Statistics has been charged by Congress [Congressional Act of July 7, 1930 (29 USC, Section 1 and 2)] with the responsibility of collecting and publishing monthly information on employment, the average wage received, and the hours worked by area and industry. The process for developing residency-based employment and unemployment statistics is a cooperative Federal-State program that uses employment and unemployment inputs available in State agencies.

Estimates are prepared monthly in the State agencies, transmitted to BLS for validation and publication, and provided to user agencies. These estimates are used for economic analysis and as a tool in the implementation of Federal policy in such areas as employment and economic development under the Workforce Investment Act of 1998 (that supplanted the Job Training and Partnership Act) and the Public Works and Economic Development Act, among others.

The estimates are used in economic analysis by public agencies and private industry and for State and area allocations and eligibility determinations according to legal and administrative requirements. Implementation of policy and legislative prerogatives could not be accomplished as now written without collection of the data.

The reports covered by the supporting statement are integral parts of the LAUS program insofar as they ensure and/or measure the timeliness, quality, consistency, and adherence to program directions of the LAUS estimates and related research.

LAUS 8: Reports used annually to transmit information on the geographic definition of the area and estimating methodology used for Areas of Substantial Unemployment (ASU).

LAUS 15: Report prepared periodically to request and detail unusual treatment for estimation.

LAUS 16: Reports used annually to transmit LAUS estimates for ASU submittals.

LAUS 3040: LAUS Program Manual

2. Uses of the information

The Workforce Investment Act of 1998 (PL 97-300) requires these data:

- a. to allocate funds under Title II (Adult Education and Literacy programs);
- b. to implement Title I, which establishes state workforce investment boards, state plans, and local workforce investment areas. The local workforce investment areas are to support a one-stop delivery system that provides core employment-related services and other employment and training services;

- c. to implement Title I, which provides that one of the standards for eligibility for services under the Act is that the ratio of participants being trained on the job in the public sector to participants in the private sector shall not exceed the ratio of civilian government employment to private sector employment in the area.

Other requirements include the use of these data:

- a. to allocate funds to States to establish and maintain public employment offices as required by the Wagner-Peyser Act (29 USC 49 et seq.) and to require that public labor exchange activities be part of the one-stop system, and integrated into the state workforce development plan;
- b. to indicate economic distress in areas to identify political jurisdictions eligible for Federal assistance under the Urban Development Action Grant Program (Section 119 of Title I of the Housing and Community Development Act (PL 93-383). The standards include local unemployment as one of these indicators;
- c. by the Employment and Training Administration to identify Labor Surplus Areas designated under Executive Orders 10582 and 12073 in the implementation of amendments to the Small Business Act (PL 96-302), which provides that Federal procurement contracts be set aside for business located in labor surplus areas;
- d. to allocate Department of Commerce funds for certain programs to areas of high unemployment (42 USC 3121) as required by the Public Works and Economic Development Act of 1965.

3. Uses of improved information technology

Increased automation of estimating procedures and in the submittal of the estimates has been and is a program objective. The State Time Series Analysis and Review System (STARS), introduced in 1989, and the LAUS State System (LSS), introduced in 1988 as the State Systems Project (SSP), are statistical software packages designed to assist in the production of employment and unemployment estimates for States and local areas. Both systems are revised and updated on a regular schedule. The STARS system was completely updated during Fiscal Year 2003 and moved from a mainframe platform to a web-based design. The LSS system was also updated to accommodate program changes associated with the LAUS Redesign, a multi-year initiative that resulted in improvements to the methodology and geographic scope of the program.

BLS continues to explore alternative methods to collect data now submitted on the Designation of Potential ASU (LAUS 8) and the ASU Data Collection Form (LAUS 16). States now have the option to submit these data electronically.

4. Efforts to identify duplication

No other estimate exists of total resident employment and total resident unemployment on a monthly basis at the required geographic detail.

5. Minimizing the burden to small business establishments

Small businesses or other small entities are not involved.

6. Consequences of not collecting the data or less frequent data collection

29 USC Section 2 states, “The Bureau of Labor Statistics, under direction of the Secretary of Labor, shall collect, collate, and report at least once each year, or oftener if necessary, full and complete statistics on the conditions of labor and the products and distribution of the products of the same ...” It also states “The Bureau of Labor Statistics shall also collect, collate, report, and publish at least once each month full and complete statistics on the volume of the changes in employment, as indicated by the number of persons employed ...” If the data were developed less frequently than monthly, certain of the allocation programs and trigger mechanisms referred to items 1 and 2 would not be completed properly.

7. Special circumstances

Monthly collection of information is necessary. Other data series are not available that are conceptually consistent with national labor force measures, are comparable on a State-to-State basis, or are on the current basis required to implement the assistance programs for which they are used. ASU and LAUS Exception/Atypical Reports are collected on an annual or occasional basis only.

8. Preclearance consultation Federal Register and consultation with outside sources

Preclearance consultation Federal Register

No comments were received as a result of the Federal Register Notice published 73 FR 51532 on September 3, 2008.

Outside consultation

Over the years, the program has been discussed extensively with the Labor Market Information Committee of the National Association of State Workforce Agencies, the Workforce Information Council, the LAUS-MLS State Policy Council, the Bureau’s Research Advisory Committees, and the Employment and Training Administration.

9. Respondent payments

Data for the program are collected and assembled by State staff. BLS is unaware of any arrangements to provide payments or gifts to respondents.

10. Confidentiality

An assurance of confidentiality is not provided to respondents.

11. Sensitive questions

Questions of a sensitive nature are not asked.

12. Estimated reported burden

The hour burden of the collection of information is detailed below.

	LAUS 3040	LAUS 8	LAUS 15	LAUS 16
Number of respondents	7277	52	52	52
Annual frequency of response	13	11	0.12	1
Annual responses	94,601	572	6	52
Estimated hours/response	1.5	1.0	2	1.0
Annual burden	141,902	572	12	52
Total annual responses	95,231			
Total annual burden hours	142,538			
Estimated hours/response	1.5			

Notes:

- LAUS 3040: The regular program submissions (3040) are monthly, with an additional annual submission each year – making 13 submissions per State, the District of Columbia, and Puerto Rico (52 respondents) each year. The respondents provide monthly submissions for all of the labor market areas within the State. There are a total of 7,277 labor market areas (7,277 responses). The 52 respondents – the 50 States plus DC and Puerto Rico – submit 7,277 responses per month plus an annual submittal for all the labor market areas or responses identified for the program – $13 \times 7,277 = 94,601$ responses.
- LAUS 8: This is an annual activity, but some States need to submit more than one, and it averages to 11 submissions per State per year.
- LAUS 15: Not every State needs to submit a LAUS 15 each year – based on past experience only about six States submit one during a given year.
- LAUS 16: This is an annual activity– each State submits one per year.

13. There are no costs associated with capital/startup or operating/maintenance activities.

14. The annual Federal cost associated with the LAUS program in Fiscal Year 2008 is \$17,800,000. The BLS cost associated with the LAUS program is \$9,700,000. The State Workforce Agency portion of the LAUS program costs is \$8,100,000.

15. The net change in hours is an adjustment of 240 due to two factors: 1) an increase in the number of areas for which States make estimates, due to population growth and the designation of additional OMB-designated areas, and 2) BLS has learned that fewer States are submitting the LAUS 15.

16. See attached publication schedule.

17. Not applicable.

2009 LAUS Due Dates and Publication Dates

(1)	(2)	(3)	(4)	(5)	(6)
Reference Month	<i>Employment Situation</i> News Release (Friday)	Due Date for LAUS Estimates		Regional & State News Release (Friday)	Metro Area News Release and All-Area Data Issuance (Wednesday)
		Statewide ¹ (Thursday)	All Areas ² (Friday)		
January	2/6	2/19	2/27	3/11 (Wed.)	3/19 (Thurs.)
February	3/6	3/12	3/20	3/27	4/1
March	4/3	4/9	4/17	4/17	4/29
April	5/8	5/14	5/22	5/22	6/3
May	6/5	6/11	6/19	6/19	6/30 (Tues.)
June	7/2 (Thurs.)	7/9	7/17	7/17	7/29
July	8/7	8/13	8/21	8/21	9/1 (Tues.)
August	9/4	9/10	9/18	9/18	9/30
September	10/2	10/8	10/16	10/21 (Wed.)	10/28
October	11/6	11/12	11/20	11/20	12/2
November	12/4	12/10	12/18	12/18	1/5/2010 (Tues.)
December	1/8/2010	1/14/2010	1/22/2010	1/22/2010	2/2/2010 (Tues.)