



DATE : September 1, 2023

LAUS Technical Memorandum No. S-23-12

MEMORANDUM FOR: STATE WORKFORCE AGENCY ADMINISTRATORS  
AND BLS REGIONAL COMMISSIONERS

FROM : Michael Strople  
Acting Associate Commissioner  
Office of Field Operations

SUBJECT : Program Year 2024 Areas of Substantial Unemployment under the  
Workforce Innovation and Opportunity Act

**Revision:**

The 'Mapping ASUs' section was revised to reflect recent changes to TIGERweb.

**Purpose:**

This memorandum provides instructions for the development and submission of Program Year (PY) 2024 Areas of Substantial Unemployment (ASUs) under the Workforce Innovation and Opportunity Act (WIOA).

**Background:**

The Employment and Training Administration (ETA) establishes a time period for states to designate potential ASUs, which are used to determine funding allocations under the Adult and Youth Program Activities of WIOA. The Bureau of Labor Statistics (BLS) provides instructions, software, and forms for the states to use in developing and submitting employment and unemployment estimates. BLS also validates the data in state submittals.

States perform the ASU exercise under the Labor Market Information (LMI) Cooperative Agreement, which includes the development of employment and unemployment estimates for designating ASUs as a deliverable under Section B.2. of the Work Statement.

**LAUS Substate System (LSS):**

States should use the ASU module in LSS for the PY 2024 ASU exercise.

**Timing:**

This year's time period for designating ASUs begins on Tuesday, August 22, and runs through Friday, October 6.

The Office of Field Operations will host Microsoft Teams trainings on ASU concepts and definitions and on the use of LSS for ASU designations on Tuesday, August 29, and Wednesday, August 30, respectively.

**ASU Definition and Qualification Requirements:**

An ASU is an area that is composed of any combination of LAUS areas and/or census tracts that meets the three qualification requirements set forth by ETA:

- *Unemployment rate*—the 12-month average not seasonally adjusted unemployment rate for the reference period (July 2022 benchmarked through June 2023 preliminary) must be at least 6.5 percent.
- *Population*—its population must be at least 10,000 persons based on Census Bureau figures, as described below.
- *Geography*—it must be a contiguous geographic area composed of any combination of LAUS areas and census tracts within a state. Contiguity may be accomplished if two areas are separated by a body of water (for example, river, lake, ocean) if the two areas are directly across the body of water from one another, assuming the body of water is not part of a different census tract that is not included in the ASU. Contiguity is also achieved when two areas touch at only one point, as four square counties might touch.

A LAUS area is an area for which states are required under the Cooperative Agreement to submit employment and unemployment estimates to BLS each month (for example, a labor market area, county, city, or city part). State-specific areas are not considered LAUS areas for purposes of the ASU search.

**For PY 2024, the 50 states, the District of Columbia, and Puerto Rico must all complete a substate ASU search; no area qualifies as an ASU in its entirety.**

**Population Data:**

States have two options for the population data used to determine if an ASU meets the minimum population level of 10,000 persons. In determining the population for an ASU, a single population option should be used for all of its components.

- Option 1 is to use the 2020 Census enumerated population. This option can be used for all levels of geography, including census tracts.
- Option 2 is to use the July 1, 2022, postcensal estimates for LAUS areas and/or BLS-provided estimates of the July 1, 2022, population for census tracts. BLS develops postcensal estimates for tracts by applying tract shares of county enumerated population to the postcensal estimates for counties.

BLS will load both sets of population data into the LSS ASU module. The system will automatically fill the relevant cell on each ASU designation form with the July 1, 2022,

population estimate. If an ASU qualifies using the 2020 Census count but not the July 1, 2022, estimate, the affected state should contact their regional office. In those cases, BLS can manually modify the form to reflect the 2020 Census count.

### **American Community Survey (ACS) Employment and Unemployment Data:**

Census tracts included as geographic components of ASUs will be ACS-shared from counties using the 5-year ACS employment and unemployment data for 2017-2021. BLS will load ACS-shared estimates for each tract in the nation into the LSS ASU module.

### **Mapping ASUs:**

States that verify contiguity of their tract-based ASUs using mapping software should use the vintage 2021 shapefiles produced by the Census Bureau. The shapefile vintage should coincide with the last year in the range of the ACS estimates underlying the mapped data (2021). Additional information and downloadable shapefiles are available at <https://www.census.gov/geographies/mapping-files/time-series/geo/tiger-line-file.2021.html>.

There is also an interactive web-based mapping tool at <https://tigerweb.geo.census.gov/tigerweb>. If states choose to use this, they should select “ACS 2022” in the “Select Vintage” dropdown box near the upper left to best approximate the vintage 2021 shapefiles, as “ACS 2021” has been removed as a selectable option. The newer vintage generally should match the older one; however, the possibility of differences does exist. To avoid potential issues, use of the 2021 vintage shapefiles at the link in the prior paragraph is encouraged.

### **Methods for Developing ASUs:**

Two basic methods can be used separately or in combination to develop ASUs:

- Addition of areas
- Subtraction of areas

In the addition and subtraction methods, LAUS areas and/or ACS-shared census tracts are added together or subtracted from a larger geographic area to arrive at an ASU. The addition method often is used by states with lower statewide unemployment rates, while the subtraction method typically is used when rates are closer to the 6.5-percent threshold. Despite these generalities, states should use whichever approach they prefer.

To avoid double-counting and maintain additivity to the county level, ASU components in any given county may consist of either census tracts or LAUS cities and city parts, but not a combination of both.

### **Data Files Provided by BLS:**

In order to facilitate ASU designations, Excel files of census tract-level ACS employment and unemployment data are being made available to states. These files also include geographic identifiers, derivation area ACS and LAUS employment and unemployment estimates, 2020 and

2022 population data, ACS-share ratios, and LAUS-consistent tract-level labor force data for the July 2022 to June 2023 period. The “fields” worksheet in each file identifies the elements of each column in this data worksheet. The files also contain an additional worksheet with data for both census tracts and all LAUS areas. These worksheets also may aid states in creating addition/subtraction component lists for batch loading of ASUs.

**ASU Module in LSS:**

Most of the inputs required for the ASU forms are automatically filled by the ASU module in LSS. For each ASU, states are required to enter a code, a title, and a geographic description. Since the system will automatically generate a list of components for each ASU, states can simply enter “See enclosed list” in the geographic description section. All other necessary information is automatically populated on the ASU Designation Form by LSS.

The LSS ASU module will contain all necessary population data as well as employment and unemployment estimates for all LAUS areas and ACS-shared employment and unemployment estimates for all census tracts. Once an ASU is created by entering a code, title, and geographic description, states need only specify the geographic components of the ASU. The system will calculate the resulting unemployment rate and population level.

Note that, on rare occasions, a state may designate an ASU that seems to meet the unemployment rate criterion based on calculations using the BLS-provided Excel file but that does not meet that criterion when the rate is calculated in the LSS ASU module. This is due to the way rounding is handled in the two sets of calculations. In the Excel file, 12 months of data are averaged for each area and the averaged area data are summed to get an approximate ASU estimate. In the LSS ASU module, area data are summed for each month, creating monthly estimates for the ASU, as required by the ASU Data Collection form. The average rate for the ASU is then computed from the 12 months of summed data. The Excel-based calculation is simpler, but the LSS ASU module calculation is the correct method. Users that designate an ASU that meets the unemployment rate criterion based on calculations in the Excel file but not in LSS will need to make modifications (typically minor) to the geographic components of the ASU until it meets the rate criterion in LSS.

For the 50 states and the District of Columbia that were required to conduct an ASU search during PY 2023, BLS has preloaded the final set of ASUs that were designated by each state into the PY 2024 database. For some, this might serve as a convenient starting point for the PY 2024 search. (Note, however, that these areas may not qualify as ASUs in PY 2024 in their existing configurations as more current LAUS and ACS data are being used in PY 2024.) States that prefer to start with an empty database can simply delete these areas by checking the box next to each one on the main ASU screen and clicking the “Delete” button.

ASUs can be entered into LSS using either screen or batch entry or a combination of both. Batch entry involves two separate files; one contains the code, title, and geographic description, the other contains the addition/subtraction component list. See Attachment 1 for file formats and naming conventions. Note that the ASU must be defined by screen or batch entry of the code, title, and geographic description before the addition/subtraction component list can be entered.

The system will edit each ASU’s unemployment rate and population level to ensure that it meets the necessary criteria. States will not be permitted to finalize their ASUs until each ASU passes these edits. BLS will perform additional edits after state finalization.

Once ASUs are finalized, the system can generate all necessary forms: the Designation of Potential ASU form, the ASU Data Collection form, and the addition/subtraction component list for each ASU.

**Documentation and Forms Required:**

Since none of the 50 states, the District of Columbia, or Puerto Rico qualify as an ASU in their entirety, each should submit the items below to BLS and/or ETA. Items to be sent to BLS should be submitted to both the national office and the applicable regional office.

Item	Send to BLS	Send to ETA
<ul style="list-style-type: none"> <li>• A cover letter indicating:                             <ul style="list-style-type: none"> <li>○ Number of ASUs submitted</li> <li>○ Name of each ASU</li> <li>○ Method used to create each ASU</li> <li>○ Types of areas involved in each ASU</li> </ul> </li> </ul>	Yes	Yes
<ul style="list-style-type: none"> <li>• Three forms generated by LSS for each ASU:                             <ul style="list-style-type: none"> <li>○ Designation of Potential ASU form</li> <li>○ ASU Data Collection form</li> <li>○ Addition/Subtraction Table (list of ASU components)</li> </ul> </li> </ul>	No	Yes
<ul style="list-style-type: none"> <li>• Maps (optional)</li> </ul>	Yes	Yes

States must submit all required materials electronically, via email. The contact names, phone numbers, and email addresses for ETA and the BLS national office are, respectively:

Neil P. Ridley  
 U.S. Department of Labor  
 Employment and Training Administration  
 Office of Policy Development and Research  
 (202) 693-3649  
 Ridley.Neil.P@dol.gov

Brian Hannon  
 U.S. Bureau of Labor Statistics  
 Division of Local Area Unemployment Statistics  
 (202) 691-6655  
 hannon.brian@bls.gov

**Changes to ASUs after Initial Submittal:**

If a state makes any changes or corrections to its ASUs after the initial submission, all required documentation and forms should be updated and resubmitted to both BLS and ETA.

**Actions Required:**

The deadline for ASUs has been set by ETA as October 6. All submission materials noted above must be received by BLS and ETA on or before that date.

**Inquiries:**

All inquiries relating to methodological issues should be directed to the appropriate BLS regional office. Questions regarding qualification of ASUs in general should be addressed to ETA.

**Effective Date:**

These instructions are effective upon receipt of this memorandum.

**Workload Impact:**

None. This activity is covered by the LMI Cooperative Agreement.

**Attachment:**

Attachment 1 – Batch Input File Formats- included in this Word document

## **Batch Input File Formats**

### **ASU Definition File – “ST\_ASU\_DEF.txt”**

- Used to add ASUs.

<b>Position</b>	<b>Description</b>
1 – 8	ASU Code <ul style="list-style-type: none"> <li>• Must begin with “SU” followed by your state’s FIPS code (e.g., “SU01” for Alabama); the last four digits must be numeric</li> </ul>
9	Blank
10 – 63	ASU Title <ul style="list-style-type: none"> <li>• Unused characters following the title must be padded with spaces to ensure proper field alignment</li> </ul>
64	Blank
65 up to 358	Geographic description <ul style="list-style-type: none"> <li>• Unused characters do not need to be filled with spaces (i.e., the record length can be variable, so long as the geographic definition begins at position 65)</li> </ul>

### **ASU Component Selection File – “ST\_ASU\_Comp.txt”**

- Used to specify the components of one or more ASUs and to indicate whether the components are added or subtracted.

<b>Position</b>	<b>Description</b>
1 – 8	ASU Code <ul style="list-style-type: none"> <li>• ASU must be added first using the “Add ASU” button or by batch loading an ASU definition file (see above)</li> </ul>
9	Blank
10	Operation (+ or -) <ul style="list-style-type: none"> <li>• + or - for addition or subtraction, respectively</li> </ul>
11	Blank
12 – 26 or 29	Component Code <ul style="list-style-type: none"> <li>• 15-character LAUS code or, for census tracts, 18-character GEOID (found in BLS-provided Excel file)</li> </ul>