

Total Estimated Annual Other Costs Burden: \$0.

Marek Laco,

Acting Assistant Secretary for Employment and Training, Labor.

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DEPARTMENT OF LABOR

Employment and Training Administration

Labor Surplus Area Classification

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice.

SUMMARY: The purpose of this notice is to announce the annual Labor Surplus Area (LSA) list for Fiscal Year (FY) 2027.

DATES: The annual LSA list is effective October 1, 2026, for all States, the District of Columbia, and Puerto Rico.

FOR FURTHER INFORMATION CONTACT:

Fernan Ramirez, Office of Policy Development and Research, or Donald Haughton, Office of Workforce Investment, Employment and Training Administration, 200 Constitution Avenue NW, Room N–5641, Washington, DC 20210. Email: Fernan Ramirez, ramirez.fernand@dol.gov, or Donald Haughton, haughton.donald.w@dol.gov.

SUPPLEMENTARY INFORMATION: The Department of Labor (DOL)'s regulations implementing Executive Orders 12073 and 10582 are set forth at 20 CFR part 654, subpart A. These regulations require the DOL's Employment and Training Administration (ETA) to classify jurisdictions as LSAs pursuant to the criteria specified in the regulations, and to publish annually a list of LSAs. Pursuant to those regulations, ETA is hereby publishing the annual LSA list.

In addition, the regulations provide exceptional circumstance criteria for classifying LSAs when catastrophic events, such as natural disasters, plant closings, and contract cancellations are expected to have a long-term impact on labor market area conditions, discounting temporary or seasonal factors.

Eligible Labor Surplus Areas

A LSA is a civil jurisdiction that has a civilian average annual unemployment rate during the previous two calendar years of 20 percent or more above the average annual civilian unemployment rate for all states during

the same 24-month reference period. ETA uses only official unemployment estimates provided by the Bureau of Labor Statistics in making these classifications. The average unemployment rate for all states includes data for the District of Columbia, and the Commonwealth of Puerto Rico. The LSA classification criteria stipulate a civil jurisdiction must have a “floor unemployment rate” of 6 percent or higher to be classified an LSA. Any civil jurisdiction that has a “ceiling unemployment rate” of 10 percent or higher is classified an LSA.

Civil jurisdictions are defined as follows:

1. A city of at least 25,000 population on the basis of the most recently available estimates from the Bureau of the Census; or
2. A town or township in the States of Michigan, New Jersey, New York, or Pennsylvania of 25,000 or more population and which possess powers and functions similar to those of cities; or
3. All counties, except for those counties which contain any type of civil jurisdictions defined in “1” or “2” above; or
4. A “balance of county” consisting of a county less any component cities and townships identified in “1” or “2” above; or
5. A county equivalent which is a town in the States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont or a municipio in the Commonwealth of Puerto Rico.

Procedures for Classifying Labor Surplus Areas

DOL issues the LSA list on a fiscal year basis. The list becomes effective each October 1, and remains in effect through the following September 30. The reference period used in preparing the current list was January 2024 through December 2025. The national average unemployment rate (including Puerto Rico) during this period is rounded to 4.16 percent. Twenty percent higher than the national unemployment rate during this period is rounded to 5 percent. Since this percent is below the floor rate, the qualifying rate is 6 percent.

To ensure that all areas classified as labor surplus meet the requirements, when a city is part of a county and meets the unemployment qualifier as a LSA, that city is identified in the LSA list. The balance of county, not the entire county, will be identified as a LSA if the balance of county also meets the LSA unemployment criteria. The data on the current and previous years'

LSAs are available at www.dol.gov/agencies/eta/lssa.

Petition for Exceptional Circumstance Consideration

The classification procedures also provide criteria for the designation of LSAs under exceptional circumstances criteria. These procedures permit the regular classification criteria to be waived when an area experiences a significant increase in unemployment which is not temporary or seasonal and which was not reflected in the data for the 2-year reference period. Under the program's exceptional circumstance procedures, LSA classifications can be made for civil jurisdictions, Metropolitan Statistical Areas, or Combined Statistical Areas, as defined by the U.S. Office of Management and Budget (OMB). In order for an area to be classified as a LSA under the exceptional circumstance criteria, the State Workforce Agency must submit a petition requesting such classification to the ETA. The current criteria for an exceptional circumstance classification are:

1. An area's unemployment rate is at least 6 percent for each of the three most recent months; and
2. A projected unemployment rate of at least 6 percent for each of the next 12 months because of an event.

When submitting such a petition, the State Workforce Agency must provide documentation that the exceptional circumstance event has occurred. The State Workforce Agency may file petitions on behalf of civil jurisdictions, Metropolitan Statistical Areas, or Micropolitan Statistical Areas.

State Workforce Agencies may submit petitions in electronic format to ramirez.fernand@dol.gov, haughton.donald.w@dol.gov, or in hard copy to the U.S. Department of Labor, Employment and Training Administration, Office of Policy Development and Research, 200 Constitution Avenue NW, Room N–5641, Washington, DC 20210.

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