

Coos County qualified as a Labor Surplus Area this Fiscal Year

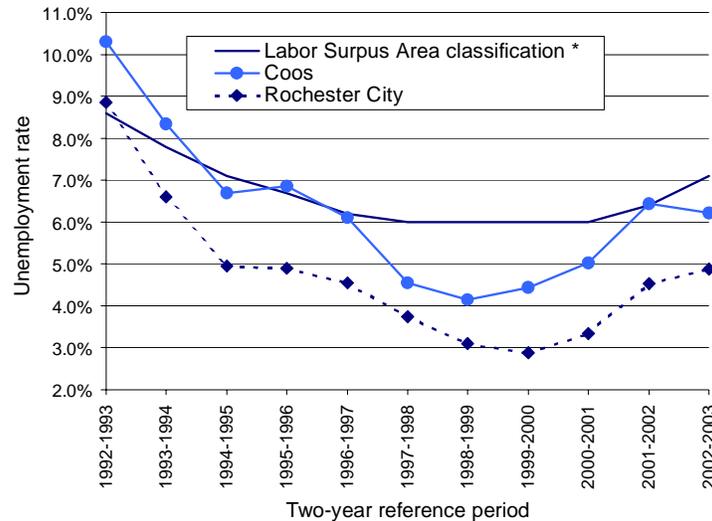
As of October 1, 2003, Coos County was designated as a Labor Surplus Area for the period October 1, 2003, to September 30, 2004 (Federal Fiscal Year 2004). This means that employers in Coos County in this period are given a preference when bidding for federal procurement contracts.

Since 1952, the federal government has sought to combat high regional unemployment by funneling federal contracts into areas with a high unemployment rate and in 1980 the Labor Surplus Area program was authorized on a permanent basis.

Labor surplus areas are classified on the basis of civil jurisdictions. Civil jurisdictions are defined as all *cities* with a population of at least 25,000 and all counties. However there are some exceptions. In Connecticut, Massachusetts, Puerto Rico, and Rhode Island where counties have very limited or no government functions, the classifications are done for individual towns/municipios. The Employment and Training Administration (ETA) made the decision not to include Maine, Vermont and New Hampshire under this rule even though the county government functions in these three states are limited as well.

Coos County was also added to the list of labor surplus areas in April 2002, qualifying under exceptional circumstances. The two-year reference period in this case (Calendar years 1999-2000) showed an average unemployment rate of 4.5 percent, which did not qualify Coos County as a Labor Surplus Area. But with the closing of a paper manu-

In the past ten years, Coos County and Rochester City have been the only civil jurisdictions in New Hampshire that have qualified as a Labor Surplus Area



facturing plant in September 2001, the Economic and Labor Market Information Bureau made a petition to add Coos County to the list of Labor Surplus Areas. In order to qualify under exceptional circumstances the unemployment rate in the area should be at least 6.4 percent for each of the three most recent months and the projected unemployment rate should be at least 6.4 percent for each of the next twelve months. Additionally, documented information that the exceptional circumstance event has already occurred should be provided.

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*** Labor Surplus Area classification:**

A civil jurisdiction is classified as a labor surplus area when its average unemployment rate is at least 20 percent above the average unemployment rate for all states (including the District of Columbia and Puerto Rico) during the previous two calendar years. During periods of high national unemployment, the 20 percent ratio is disregarded and an area is classified as a labor surplus area if its unemployment rate during the *previous two calendar years* was ten percent or more. This ten percent ceiling concept comes into operation whenever the two-year average unemployment rate for all states was 8.3 percent or above (i.e., 8.3 percent times the 1.20 ratio equals ten percent). Similarly, a "floor" concept of six percent is used during periods of low national unemployment for an area to be classified as a labor surplus area. The six percent "floor" comes into effect whenever the average unemployment rate for all states during the two-year reference period was five percent or less.

Additionally the regular labor surplus classification can be waived under exceptional circumstances when an area experiences a significant increase in unemployment which is not temporary or seasonal and which was not adequately reflected in the data for the two-year reference period.