

## Employment and Training Reporter 06/04/2018

### *Farmworkers*

#### **ETA PROPOSES REVISIONS TO NFJP ALLOTMENT FORMULA**

The Employment and Training Administration proposed the first modifications in nearly two decades to the allotment formulas for the National Farmworker Jobs Program.

A notice in the May 23 *Federal Register* also provided preliminary planning estimates for program year 2018, which begins in July.

California could see more than \$2.8 million in funding.

No state will see funding reduced under the plan, for several reasons. Congress provided ETA with a larger appropriation to work with at the federal level. The agency plans to put more available funding into allotments. And, ETA used a hold-harmless measure in its formula.

The NFJP selects program providers assigned to service areas through periodic grant competitions. Most service areas encompass states. Some grantees are private employment and training services providers. Others are public agencies. Program regulations at 29 CFR Part 685.240 call for funding allotment based on the geographic distribution of the eligible farmworker population.

A formula for NFJP allotments was last put forth in May 1999.

Comments on the changes were due on May 30, seven days after the publication of this recent notice.

Because changes will be considered, final allotments will be published in the *Federal Register* at a later date.

“The proposed formula modifications are the result of ETA’s review of the formula in the context of the NFJP-eligible population and farm labor market changes, and feedback that ETA received from NFJP grantees following informational webinars that ETA hosted on February 23, 2017, and April 27, 2017,” the notice says.

Federal officials plan to make three modifications to the funding formula.

The first is an update of data used in the formula and some adjustments to that data.

The formula will continue to rely on the same four primary data sources used since 1999. These are state-level hired farm labor expenditure data from the U.S. Department of Agriculture’s Census of Agriculture (from 2012); regional-level average hourly earnings data from the USDA’s Farm Labor Survey (2012); regional-level demographic data from the ETA’s National Agricultural Workers Survey (2006 through 2014); and demographic data from the Census Bureau’s American Community Survey (2010 through 2014).

The basic formula calculations using these factors will remain unchanged.

#### **Formula Adjustments**

ETA plans to adjust the Census of Agriculture labor expenditure data to exclude unemployment insurance payroll tax payments made on behalf of farm workers as well as expenditures on H-2A guestworkers. Agency officials reason that payroll taxes are not wages and H-2A guestworkers are eligible for only NFJP emergency services.

Payroll tax data will come from the Quarterly Census of Employment and Wages. H-2A worker data will come from ETA’s Office of Foreign Labor Certification.

ETA will also adjust demographic data to align with the Workforce Innovation and Opportunity Act’s definition of a farmworker’s program-eligible dependents, at WIOA Sections 167(i)(2)(B) and

-(3)(B). These include children ages 14 and older. With these changes, ETA proposed to implement hold-harmless provisions that incrementally scale down. This would start with a 95 percent stop-loss limit to a state's relative share of funding for PY 2018, a 90 percent limit for PY 2019 and an 85 percent limit for PY 2020. Each year, the new stop-loss limit would be applied to a state's prior-year allotment percentage.

A stop-gain limit of 150 percent of each state's prior-year allotment percentage would be implemented for each year.

ETA is anticipated updating its data sources for PY 2021.

"At that time, the department will determine whether the changes to state allotments are significant enough to warrant another hold-harmless provision. Otherwise, allotments to each state service area will be for an amount resulting from a direct allotment of the proposed funding formula without adjustment," the notice says.

The national level appropriation for the year was close to \$88 million, a \$6 million increase.

Of this, \$81.2 million will be allotted to state service areas, and ultimately grantees, through the funding formula. This compares to \$75.5 million for PY 2017.

Again, all service areas will see increased funding because there is more money going around.

In 42 state service areas, the relative share of NFJP funding allocated by formula will actually decline by a fraction of 1 percentage point (and in some cases a very small fraction).

In most states, the increase for PY 2018 will be of less than \$100,000.

California's relative share of NFJP funding will rise from 25.54 percent to 27.24 percent, increasing the allotment to the state by \$2.8 million, to \$22.1 million. The NFJP funding in California is shared between several service areas and program providers, unlike most of the nation where single providers serve states.

As Idaho's relative share of funding rises from 1.37 percent to 1.74 percent, the state sees a gain of \$373,066, to \$1.4 million. Michigan's relative share will rise from 1.79 percent to 2.02 percent, with funding increasing by \$292,901, to \$1.6 million.

Washington's relative share will increase from 3.95 percent to 4.55 percent, with funding increasing by \$712,898, to \$3.7 million.

Texas will, like most states, see a modest decline in its relative share of program funding. However, having the second largest relative share among states, of 8.1 percent for PY 2018, Texas' increase in NFJP funding is more pronounced, at \$139,619, to \$6.6 million.