BILLING CODE: 4510-FN-P

DEPARTMENT OF LABOR

Employment and Training Administration

Employment and Training Administration (ETA) Program Year (PY) 2018

Workforce Innovation and Opportunity Act (WIOA) Section 167, National

Farmworker Jobs Program (NFJP) Proposed Modifications to Allotment Formula

AGENCY: Employment and Training Administration, Labor.

ACTION: Notice.

SUMMARY: This Notice announces proposed modifications to the allotment formula for the National Farmworker Jobs Program (NFJP), authorized under the Workforce Innovation and Opportunity Act (WIOA), Section 167, and a presentation of preliminary State planning estimates for Program Year (PY) 2018. These planning estimates are based on the enacted NFJP funding appropriation in the Consolidated Appropriation Act, 2018.

DATES: The PY 2018 NFJP allotments become effective July 1, 2018.

Written comments on this notice are invited and must be received on or before [INSERT 7 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Questions on this notice can be submitted to the Employment and Training Administration, Office of Workforce Investment, 200 Constitution Ave., N.W., Room C4510, Washington, DC 20210, Attention: Laura Ibañez, Unit Chief, (202) 693-3645 or Steven Rietzke, Division Chief at (202) 693-3912.

FOR FURTHER INFORMATION CONTACT: Laura Ibañez, Unit Chief, at (202) 693-3645 or Steven Rietzke, Division Chief, at (202) 693-3912.

SUPPLEMENTARY INFORMATION: This notice is published pursuant to Section 182(d) of the WIOA, Prompt Allotment of Funds.

The formula was developed for the purpose of distributing funds geographically by State service area, on the basis of each State service area's relative share of persons eligible for the program. The formula's methodology was described in detail in a notice that was published in the **Federal Register** on May 19, 1999 (64 FR 27390), which is accessible at https://www.federalregister.gov/. Beginning with PY 2018, ETA proposes three modifications to the allotment formula which, if implemented, will result in more accurate estimates of each State service area's relative share of persons eligible for the program. In addition, new data from each of the four data files that have been the basis of the formula since 1999 will be used.

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.

Section II of this notice provides for public comment a discussion of the updated data files that will be used to populate the formula and the proposed formula modifications. Section III describes a hold-harmless provision which is proposed to be put into place for the implementation year and the following years. The hold-harmless provision is designed to provide a staged transition from old to new shares of funding for State service areas.

Section IV describes proposed minimum funding provisions to address State service areas which would receive less than $60,000.

Section V describes the proposed application of the formula and the hold-harmless provision using preliminary planning estimates for PY 2018.

This notice represents the first of a two-stage process. Upon receipt of public comments regarding this notice, changes to the proposed formula modifications and preliminary planning estimates will be considered. In the second stage, the final formula and final allotment levels will be published in the **Federal Register**.

I. Background

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.

II. Description of Updated Data Files and Proposed Modifications to the Allotment Formula

As with all State planning estimates since 1999, the PY 2018 estimates will be based on four data sources: 1) State-level, 2012 hired farm labor expenditure data from the United States Department of Agriculture's (USDA) Census of Agriculture (COA); 2) regional-level, 2012 average hourly earnings data from the USDA's Farm Labor Survey (FLS); 3) regional-level, 2006-2014 demographic data from the ETA's National Agricultural Workers Survey (NAWS); and, 4) 2010-2014 (5-year file) data from the United States Census Bureau's American Community Survey. A detailed description of how each data source is used within the formula is in the May 19, 1999 FRN (pages 27396 to 27399). In addition to populating the formula with more recent data, three modifications are being proposed. The first two are 'back-out' adjustments to the COA hired labor expenditures (Wage Bill) to account for: 1) Unemployment Insurance (UI) payroll tax payments made

on behalf of farm workers; and 2) expenditures on H-2A workers. The third modification aligns the allotment formula with the definition of dependent under WIOA Section 167 (i)(2)(B) and (3)(B) to account for dependents of Migrant and Seasonal Farmworkers (MSFW) in each State's share of the total eligible population.

These proposed modifications more accurately estimate each State's share of the NFJP-eligible population. Modification 1 removes non-wages from COA farm labor expenditures. UI payroll tax payments, which vary by State, are not wages. Modification 2 removes labor expenditures on H-2A workers from COA farm labor expenditures to align the allotment formula with the NFJP-eligible population. H-2A workers may only be provided emergency services. Modification 3 accounts for eligible dependents ages 14 and over of eligible MSFWs in each State's share of the total NFJP-eligible population.[1]

Under Modification 1, 2012 data from the Quarterly Census of Employment and Wages are used to adjust COA farm labor expenditures. This is accomplished by: 1) summing, for each State, four quarters of employer UI contributions, separately for crop agriculture (Crop Production (NAICS 111) and Support Activities for Crop Production (NAICS 1151)) and animal agriculture (Animal Production (NAICS 112) and Support Activities for Animal Production (NAICS 1152)); and 2) subtracting the UI taxes from each State's COA farm labor expenditures in these sectors.

For the 48 States, UI payroll tax payments (contributions) in crop agriculture totaled $469,020,138, or 2.02 percent of COA hired and contract labor expenditures in crop

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[1] NAWS is administered to focus on crop workers age 14 and over, which also aligns with the age criteria for NFJP eligible dependents.

agriculture of $23,257,671,553.[2] UI contributions in crop agriculture ranged from $210,085 in Delaware to $237,819,454 in California. In animal agriculture, UI contributions totaled $76,014,437, or 0.75 percent of COA hired and contract labor expenditures in animal agriculture of $10,190,832,196. UI contributions in animal agriculture ranged from $50,614 in Delaware to $12,559,739 in California.

For Modification 2, 2012 data from ETA's Office of Foreign Labor Certification's H-2A case disclosure file are used to adjust 2012 COA hired labor expenditures to account for expenditures on H-2A workers. This is accomplished by: 1) calculating the wages paid to H-2A workers in each State, separately for crop and animal agriculture; and 2) subtracting the resulting H-2A wages from each State's COA hired farm labor expenditures for crop and animal agriculture.

For the 48 States, H-2A wages in crop agriculture totaled $568,898,447, or 2.45 percent of COA hired and contract labor expenditures in crop agriculture of $23,257,671,553. H-2A wages in crop agriculture ranged from $23,452 in Rhode Island to $66,982,024 in North Carolina. In animal agriculture H-2A wages totaled $37,431,699, or 0.37 percent of COA hired and contract labor expenditures in animal agriculture of $10,190,832,196. H-2A wages in animal agriculture ranged from $0 (12 States) to $9,867,520 in Louisiana.

In Modification 3, four steps are taken to include eligible dependents of eligible MSFWs in each state's share of the total NFJP-eligible crop worker population. First, utilizing the

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[2] The proposed formula modifications cannot be applied to Alaska and Hawaii because the formula itself is not used to determine Alaska's and Hawaii's share of the NFJP allocation. According to the December 22, 1998 and May 19, 1999 Federal Register Notices, Alaska, Hawaii, and Puerto Rico, are treated differently due to the absence of one or more of the four data sources that are available for the "conterminous 48 States." Therefore, ETA does not 'back out' Unemployment Insurance payroll taxes or H-2A labor expenditures from Alaska's and Hawaii's labor expenditures because labor expenditures are not used to determine Alaska's and Hawaii's allocation.

methodology to estimate each State's number (people-denominated index) of NFJP-eligible crop workers, each State's number of MSFW-eligible crop workers is estimated. Next, the average number of eligible dependents per eligible MSFW is estimated for each of the 12 NAWS sampling regions. In step three, the average number of eligible dependents per eligible MSFW (the result from step 2) for each of the 12 NAWS sampling regions is applied to the corresponding States in the region and then multiplied by the corresponding State's estimated number of eligible MSFWs (from step 1) to obtain each State's number of eligible dependents of eligible MSFWs. In the fourth and final step, each State's estimated number of eligible dependents is added to the State's estimated number of NFJP-eligible crop workers to obtain each State's total eligible (crop-worker plus dependents) population and share of the national eligible population. Unlike Modifications 1 and 2, which pertain to both crop and animal agricultural worker estimates, Modification 3 can only be applied to the eligible population in crop agriculture. There is no national-level survey data on the demographic characteristics of animal agricultural workers to estimate the number of eligible dependents of eligible animal agricultural workers.[3]

III. Description of the Hold-Harmless Provision

For PY 2018, 2019, and 2020, the Department intends to apply a hold-harmless provision to the allotment formula in order to allow a staged transition from the application of the previous formula to the modified formula. The hold-harmless provision provides for a stop loss/stop gain limit to transition to the use of the updated data. Due to the length of

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[3] Modification 3 is only applied to crop workers. ETA's NAWS, which is a survey of hired crop workers, is the source used in step 2 of this modification to estimate the average number of eligible dependents per eligible MSFW for each of the 12 NAWS sampling regions.

time since the data has been updated, it is anticipated there may be significant changes for a few states, necessitating the stop loss/stop gain approach. The stop loss/stop gain approach is based on a State service area's previous year's allotment percentage share, which is its relative share of the total formula allotments. The staged transition of the hold-harmless provision is proposed specifically as follows:

(1) In PY 2018, State service areas will receive an amount equal to at least 95 percent of their PY 2017 allotment percentage share, as applied to the PY 2018 formula funds available;

(2) In PY 2019, State service areas will receive an amount equal to at least 90 percent of their PY 2018 allotment percentage share, as applied to the PY 2019 formula funds available;

(3) In PY 2020, State service areas will receive an amount equal to at least 85 percent of their PY 2019 allotment percentage share, as applied to the PY 2020 formula funds available.

In PY 2018, 2019, and 2020, the hold-harmless provision also provides that no State service area will receive an amount that is more than 150 percent of their previous year's allotment percentage share.

In PY 2021, since the Department has a responsibility to use the most current and reliable data available, amounts for the new awards will be based on updated data from the sources described in Section II, pending their availability. 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.

IV. Minimum Funding Provisions

A State area which would receive less than $60,000 by application of the formula will, at the option of the DOL, receive no allotment or, if practical, be combined with another adjacent State area. Funding below $60,000 is deemed insufficient for sustaining an independently administered program. However, if practical, a State jurisdiction which would receive less than $60,000 may be combined with another adjacent State area.

V. Program Year 2018 Preliminary Allotments

The state allotments set forth in the Table appended to this notice reflect the distribution resulting from the allotment formula described above. For PY 2017, $81,896,000 was appropriated for migrant and seasonal farmworker programs, of which $75,505,575 was allotted on the basis of the old formula after $379,425 was set aside for program integrity. The remaining $5,489,415 of the PY 2017 appropriation was retained to fund housing grants after $27,585 was set aside for program integrity, and $494,000 was retained for Training and Technical Assistance. The figures in the first numerical column show the actual PY 2017 formula allotments to State service areas. The next column shows the percentage of each allotment.

For PY 2018, the funding level provided for in the Consolidated Appropriations Act, 2018 for the migrant and seasonal farmworker program is $81,203,000 and will be allotted on the basis of the proposed formula. For purposes of illustrating the effects of the proposed allotment formula, the State service area allotments with the application of the first-year (95 percent) hold-harmless and minimum funding provisions, followed by

the percentages, are shown in columns 3 and 4. The difference between PY 2017 and PY 2018 allotments are shown in column 5. The sixth column of the Table shows the allotments based on the proposed formula without the application of the hold-harmless or minimum funding provisions. The percentages are reported in column 7.

Rosemary Lahasky,

Deputy Assistant Secretary for Employment and Training, Labor.

U. S. Department of Labor
Employment and Training Administration
National Farmworker Jobs Program
Impact of Proposed Changes on PY 2018 Allotments to States

State	PY 2017 Allotment (1)	PY 2017 Percentage Share (2)	PY 2018 With hold harmless Allotment (3)	PY 2018 With hold harmless Percentage Share (4)	PY 2018 With hold harmless Difference (PY 2018 vs. PY 2017) (5)	PY 2018 Without hold harmless Allotment (6)	PY 2018 Without hold harmless Percentage Share (7)
Total	$75,505,575	100.00000	$81,203,000	100.00000	$5,697,425	$81,203,000	100.00000
Alabama	764,119	1.01200	780,688	0.96140	16,569	730,431	0.89951
Alaska	-	0.00000	-	0.00000	-	-	0.00000
Arizona	2,057,698	2.72523	2,102,317	2.58896	44,619	2,360,610	2.90705
Arkansas	1,104,657	1.46301	1,128,611	1.38986	23,954	1,028,263	1.26629
California	19,283,115	25.53866	22,119,850	27.24019	2,836,735	25,328,504	31.19159
Colorado	964,874	1.27788	1,066,971	1.31396	102,097	1,221,743	1.50455
Connecticut	340,039	0.45035	347,412	0.42783	7,373	363,493	0.44763
Delaware	122,461	0.16219	142,968	0.17606	20,507	163,707	0.20160
Dist of Columbia	-	0.00000	-	0.00000	-	-	0.00000
Florida	4,000,446	5.29821	4,087,192	5.03330	86,746	4,051,426	4.98926
Georgia	1,478,430	1.95804	1,510,489	1.86014	32,059	1,510,168	1.85974
Hawaii	318,882	0.42233	325,797	0.40121	6,915	308,641	0.38009
Idaho	1,037,089	1.37353	1,410,155	1.73658	373,066	1,614,708	1.98848
Illinois	1,386,739	1.83660	1,416,809	1.74477	30,070	1,258,641	1.54999
Indiana	891,099	1.18018	910,422	1.12117	19,323	851,893	1.04909
Iowa	1,135,326	1.50363	1,159,945	1.42845	24,619	1,197,979	1.47529
Kansas	1,037,193	1.37366	1,059,684	1.30498	22,491	932,795	1.14872
Kentucky	1,168,337	1.54735	1,193,671	1.46998	25,334	916,252	1.12835
Louisiana	878,803	1.16389	897,859	1.10570	19,056	714,233	0.87956
Maine	282,793	0.37453	288,925	0.35581	6,132	298,953	0.36816
Maryland	349,786	0.46326	372,807	0.45910	23,021	426,886	0.52570
Massachusetts	310,726	0.41153	317,464	0.39095	6,738	327,720	0.40358
Michigan	1,350,141	1.78813	1,643,042	2.02338	292,901	1,881,378	2.31688
Minnesota	1,190,716	1.57699	1,261,106	1.55303	70,390	1,444,039	1.77831
Mississippi	1,251,630	1.65767	1,278,771	1.57478	27,141	881,458	1.08550
Missouri	951,239	1.25983	971,866	1.19684	20,627	735,337	0.90555
Montana	576,293	0.76325	588,789	0.72508	12,496	569,740	0.70162
Nebraska	1,049,996	1.39062	1,072,764	1.32109	22,768	963,191	1.18615
Nevada	173,439	0.22970	177,200	0.21822	3,761	174,914	0.21540
New Hampshire	98,352	0.13026	100,485	0.12375	2,133	104,283	0.12842
New Jersey	671,802	0.88974	686,369	0.84525	14,567	692,314	0.85257
New Mexico	913,490	1.20983	933,298	1.14934	19,808	984,481	1.21237
New York	1,598,538	2.11711	1,633,201	2.01126	34,663	1,439,972	1.77330
North Carolina	2,596,474	3.43878	2,652,776	3.26684	56,302	2,239,643	2.75808
North Dakota	586,161	0.77631	598,871	0.73750	12,710	587,836	0.72391
Ohio	1,215,667	1.61004	1,242,028	1.52953	26,361	1,053,237	1.29704
Oklahoma	1,228,006	1.62638	1,254,634	1.54506	26,628	905,881	1.11558
Oregon	1,902,686	2.51993	2,002,379	2.46589	99,693	2,292,839	2.82359
Pennsylvania	1,490,645	1.97422	1,522,968	1.87551	32,323	1,641,496	2.02147
Puerto Rico	2,950,975	3.90829	3,014,964	3.71287	63,989	2,279,197	2.80679
Rhode Island	37,337	0.04945	48,174	0.05933	10,837	55,162	0.06793
South Carolina	932,956	1.23561	953,186	1.17383	20,230	726,773	0.89501
South Dakota	598,476	0.79262	611,453	0.75299	12,977	459,200	0.56550
Tennessee	827,313	1.09570	845,253	1.04091	17,940	759,476	0.93528
Texas	6,438,740	8.52750	6,578,359	8.10113	139,619	5,215,352	6.42261
Utah	279,058	0.36959	377,175	0.46448	98,117	431,888	0.53186
Vermont	184,099	0.24382	188,091	0.23163	3,992	173,536	0.21371
Virginia	895,239	1.18566	914,652	1.12638	19,413	855,978	1.05412
Washington	2,981,590	3.94883	3,694,488	4.54969	712,898	4,230,402	5.20966
West Virginia	189,444	0.25090	193,552	0.23836	4,108	110,778	0.13642
Wisconsin	1,206,739	1.59821	1,292,453	1.59163	85,714	1,479,933	1.82251
Wyoming	225,722	0.29895	230,617	0.28400	4,895	226,240	0.27861

[FR Doc. 2018-10955 Filed: 5/22/2018 8:45 am; Publication Date: 5/23/2018]