

Serving Agricultural Workers with Disabilities through State Vocational Rehabilitation Services

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AgrAbility/VR Working Group, WIOA and Agricultural Workers

Workforce Innovation
and Opportunity Act (WIOA)

WIOA: Competitive Integrated Employment (CIE)

- Compensated at or above minimum wage and comparable to the customary rate paid by the employer to employees without disabilities performing similar duties and with similar training and experience
- There are several other tenets to CIE

Activities of the NAP working group

- Multiple working group calls
 - National AgrAbility Project (NAP) + VR consultant Steve Etheridge
 - Paul Leverenz, AgrAbility of Wisconsin
 - Council of State Administrators of Vocational Rehabilitation (CSAVR)
 - Karri Wilson (MO) & other state VR staff & consultants
 - Workforce Innovation Technical Assistance Center (WINTAC) at San Diego State University

Complexities of Farm Finance (1)

- Wide variety of agricultural enterprise types and many different patterns of expenses and cash flows.
 - Dairy farmers typically receive regular (e.g., biweekly) payments from milk processors/cooperatives
 - Grain farmers only receive payment for their labor and other expenses when their crops are sold – which may be in a different year than when they were produced
 - Livestock producers and fruit/vegetable producers have still different expense/income patterns

Complexities of Farm Finance (2)

- Agricultural accounting is complex
 - Financial reporting typically involves calculations of factors like depreciation, government payments, cash rent of land, and a large variety of expenses
 - Since most agricultural operators live on their farms or ranches, it may be difficult to distinguish between business and personal expenses
 - No single document alone, such as the IRS Schedule F, can explain an enterprise's financial state

Complexities of Farm Finance (3)

- Efforts to minimize tax liabilities are widespread among agricultural producers, and showing negative income is a common way of doing so.
 - Tax evasion is illegal, “tax avoidance” is not
 - Purchases of equipment or livestock at end of year to minimize taxes
 - Prepay expenses for the following year for inputs like fertilizer, feed, and seed to minimize taxes

Complexities of Farm Finance (4)

- Take this hypothetical example from *Successful Farming* magazine:
 - “Consider a young farmer who tells his CPA, ‘It’s December 1 and it looks like I’m going to make \$200,000 in profit. What can I do?’ The response will likely be, ‘Buy a \$200,000 tractor before December 31.’”

<https://www.agriculture.com/farm-management/finances-accounting/six-tax-tips-for-farmers-to-avoid>

Complexities of Farm Finance (5)

- Even though cash flow may appear minimal, agricultural operations typically maintain large amounts of capital in land and equipment that in some cases appreciate in value.
 - Enables some operations to remain viable when cash flow is limited
 - Income might be invested back into the enterprise instead of generating cash, which may make wages appear lower than they actually are

Complexities of Farm Finance (6)

- Differences between viability (financial health) and apparent profitability
 - How is the disability affecting current financial outcomes?
 - How would the provision of services, including assistive technology, affect financial outcomes?

Nebraska VR

- Consultant with ag lending & farming experience
- Examines tax returns (3 years) and financial statement listing all debts and assets
- Considers the following categories: size of business, financial structure, working capital, assets, leverage (debt to asset ratio), and tax returns
- Makes recommendations to VR agency, and in some cases the farmer or rancher

Missouri VR

- Maintains a “farm team” composed of counselors within the agency who have farming backgrounds and/or their own agricultural operations.
- Financial needs criteria are applied to see if the producer qualifies for assistive technology assistance through VR or whether the producer’s income is too high.
- Members of the farm team normally visit the operation to help determine viability.
- The farm team collaborates with external groups, such as AgrAbility and Farm Bureau, to provide training to VR counselors in their agency. This includes sponsoring on-farm events.

Some conclusions

- Self-employment is unusual for VR counselors, and agricultural self-employment is even more unusual
- Most “self-employment” VR ag clients need AT: business plans usually not needed
- Not unusual for farms to show little profit/loss (e.g., tax advantages; WOIA disadvantage)
- Viability and profitability are different
- Can't fully understand viability through a few documents (like Schedule F)

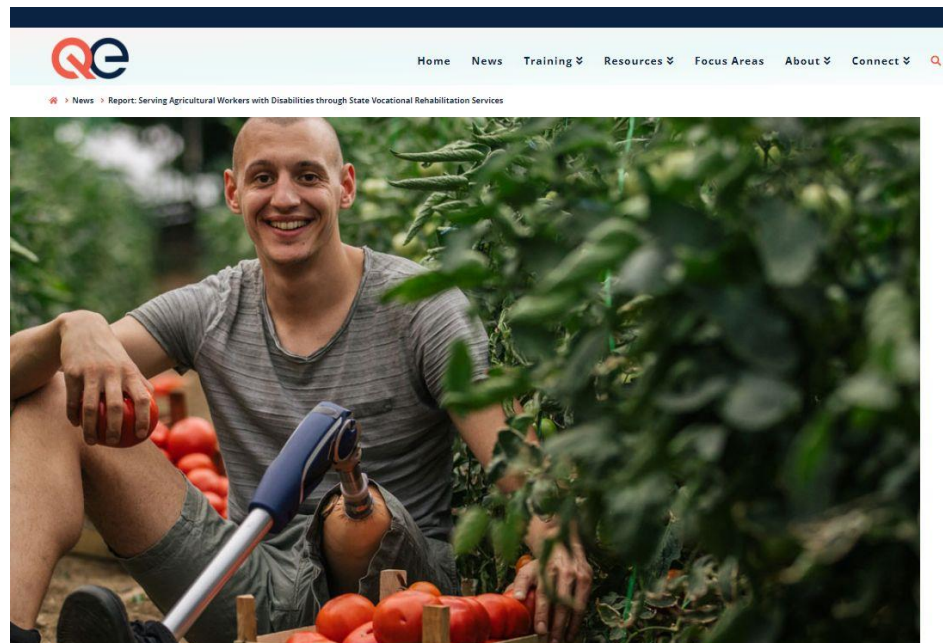
RSA Guidance on How to Document Competitive Employment

TECHNICAL ASSISTANCE CIRCULAR - RSA-TAC-19-01 (DATE: December 19, 2019). Sources of information for such documentation include:

1. Unemployment insurance system (UI) wage data match
2. Follow-up survey from program participants
3. Pay check stubs, tax records, W2 form
4. Wage record match
5. Quarterly tax payment forms, such as a IRS form 941
6. Document from employer on company letterhead attesting to an individual's employment status and earnings
7. Self-employment worksheets signed and attested to by program participants
8. Detailed case notes verified by employer and signed by the counselor

White Paper & Web Module

Vocational Rehabilitation Technical Assistance Center for Quality Employment (VRTAC-QE)



Report: Serving Agricultural Workers with Disabilities through State Vocational Rehabilitation Services

agrability.info/QE-report
agrability.info/QE-module

Thank you

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