

U.S. Department of Labor

Employment and Training Administration
200 Constitution Avenue, N.W.
Washington, D.C. 20210



June 29, 2021

The Honorable Stephen F. Sisolak
Governor of Nevada
State Capitol Building
101 N. Carson Street
Carson City, NV 89701

Dear Governor Sisolak:

Thank you for your waiver requests submission to the U.S. Department of Labor (Department) regarding certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (enclosed). The waiver requests were received on April 23, 2021. This letter provides the Employment and Training Administration's (ETA) official response to your requests and memorializes that Nevada will meet the outcomes and implement the measures identified in its plan to ensure accountability agreed to by Nevada and ETA. This action is taken under the Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8–10 of the Wagner-Peyser Act in WIOA Section 189(i).

Requested Waiver: Waiver of 20 CFR 681.550 to allow WIOA individual training accounts (ITA) for in-school youth (ISY).

ETA Response: ETA approves, through June 30, 2022, the State's request to waive the requirement limiting ITAs to only out-of-school youth (OSY), ages 16–24. In addition to these OSY, the State may use ITAs for ISY, ages 18–21. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Nevada to implement its plan to improve the workforce development system. Approval of this waiver should not impede the State's efforts to prioritize OSY, including outreach to the OSY population.

Requested Waiver: The State is requesting a waiver of WIOA Section 134(c) (3)(H)(i) and 20 CFR 680.720(b) in order to increase on-the-job training (OJT) employer reimbursement up to 90 percent for businesses with 50 or fewer employees.

ETA Response: ETA approves the State's waiver request through June 30, 2022, for the WIOA Title I Adult, Dislocated Worker, and Youth formula funds. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Nevada to implement its plan to improve the workforce development system. Existing statutory authority permits the State and its local workforce areas to increase the reimbursement rate for OJT contracts up to 75 percent. The State may also reimburse up to 90 percent for OJT for businesses with 50 or fewer employees. ETA expects the utilization of OJT to increase in the State as a result of this waiver.

Requested Waiver: Waiver associated with the requirement at WIOA Section 129(a)(4)(A) and 20 CFR 681.410 that state and local areas expend 75 percent of Governor's reserve youth funds and local formula youth funds on OSY.

ETA Response: ETA approves for Program Year (PY) 2021, which includes the entire time period for which states are authorized to spend PY 2021 funds, the State's request to waive the requirement that the State expend 75 percent of Governor's reserve youth funds on OSY. ETA reviewed the State's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Nevada to implement its plan to improve the workforce development system. Nevada may lower the expenditure requirement of Governor's reserve funds to 50 percent for OSY.

In addition, ETA approves for PY 2021, which includes the entire time period for which states are authorized to spend PY 2021 funds, the State's request to waive the requirement that local areas expend 75 percent of local youth formula funds on OSY. Nevada may lower the local youth funds expenditure requirement to 50 percent for OSY. As a result of this waiver, ETA expects that the number of ISY served will increase, and performance accountability outcomes for overall WIOA Youth (including both ISY and OSY) will remain steady or increase for the majority of the WIOA Youth performance indicators.

The State must report its waiver outcomes and implementation of the approved waivers in the WIOA Annual Report. ETA will use this information to assess continued waiver approval and to identify promising practices that may be adopted more widely. ETA is available to provide technical assistance to you in support of your goals. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,



Suzan G. LeVine
Principal Deputy Assistant Secretary

Enclosure

cc: Karlene Johnson, Deputy Administrator, Nevada Department of Employment, Training and Rehabilitation
Nicholas Lalpui, Dallas/San Francisco Regional Administrator, Employment and Training Administration
Laura Kohlhorst-Jones, Federal Project Officer, Employment and Training Administration



April 21, 2021

Nicholas Lalpuis, Regional Administrator, Regions 4 and 6
through Jeffrey Patton, Workforce Development Specialist
U.S. Department of Labor, Employment and Training Administration
90 7th Street, Suite 17-300
San Francisco, CA 94103-1516

RE: Workforce Innovation and Opportunity Act (WIOA) Waiver Requests: Nevada

Dear Mr. Lalpuis,

The State of Nevada's Department of Employment, Training and Rehabilitation (DETR) Employment Security Division (ESD) respectfully requests consideration of the following waivers in accordance with WIOA sec. 189(i)(3)(B), and regulations 20 CFR §679.620; TEGL 8-18:

1. **WIOA sec. 134; 20 CFR §681.550**: The state respectfully requests a continuance of the waiver that was granted by the U.S. Department of Labor on November 13, 2020 that allows the use of individual training accounts (ITAs) for **in-school youth** (ISY). If approved, this waiver would allow the use of training funds for ITAs for ISYs for two (2) additional program years, to-wit: **PY2021** (June 30, 2022) and **PY2022** (June 30, 2023). **EXHIBIT A**
2. **WIOA sec. 134(c)(3)(H)(i); 20 CFR §680.720(b)**: The state respectfully requests a continuance of the waiver that was granted by the U.S. Department of Labor on November 13, 2020 that allows for up to 90 percent in **on-the-job training** (OJT) employer reimbursement. If approved, this waiver would allow up to 90 percent employer reimbursement for OJTs for two (2) additional program years, to-wit: **PY2021** (June 30, 2022) and **PY2022** (June 30, 2023). **EXHIBIT B**
3. **WIOA sec. 129(a)(4); 20 CFR §681.410**: The state respectfully requests a continuance of the waiver that was granted through June 30, 2021 in Nevada's 2020-2023 WIOA Unified State Plan that was approved by U.S. Department of Labor on June 26, 2020 that allows the state the flexibility to reduce the **out-of-school youth** (OSY) funding requirement to a minimum of 50 percent. If approved, this waiver would allow the state flexibility to reduce the funding requirement for OSY to a minimum of 50 percent for two (2) additional program years, to-wit: **PY2021** (June 30, 2022) and **PY2022** (June 30, 2023). **EXHIBIT C**

DETR-ESD worked with the Nevada's two (2) local workforce boards - Workforce Connections in southern Nevada and Nevadaworks in northern Nevada - who requested these waivers due to the continued impacts caused by the COVID-19 pandemic.

Each of these three (3) waiver requests were posted for public comment on DETR's Public Notices webpage for 30-days, to-wit: March 15, 2021 through April 15, 2021, and no public comment was received. Therefore, DETR-ESD respectfully requests the U.S. Department of Labor's consideration of the three waiver requests as outlined above and as attached in EXHIBIT A, EXHIBIT B and EXHIBIT C.

Thank you for the consideration and should you have any questions on this request, or need additional information, please contact Kristine Nelson, ESD Program Chief, DETR-ESD Workforce Investment Support Services (WISS) at (775)684-0304, kknelson@detr.nv.gov.

Sincerely,



Karlene Johnson
Employment Security Division (ESD) Deputy Administrator

/Attachments: Exhibit A, Exhibit B and Exhibit C

cc: Lynda Parven, ESD Administrator
Kristine Nelson, ESD Program Chief, Workforce Investment Support Services (WISS)
Kara Abe, ESD Program Specialist III, WISS



PUBLIC NOTICE

*The purpose of this public notice is to solicit public review and comment on the Nevada Department of Employment, Training and Rehabilitation (DETR), on behalf of the state, **Individual Training Accounts Waiver Request**. Pursuant to the Workforce Innovation and Opportunity Act waiver requirements and request process (WIOA sec. 189(i)(3)(B); 20 CFR §679.620; TEGL 8-18), if granted, this Waiver would extend the current USDOL-approved waiver in effect for Program Year (PY) 2020 (June 30, 2021) for an additional two PYs: 2021 (June 30, 2022) and 2022 (June 30, 2023). Said waiver would **temporarily** waive the requirement that limits individual training accounts (ITAs) to only out-of-school youth (OSY) ages 16-24 (20 CFR §681.550), and allow the use of said training funds for ITAs for **in-school youth** (ISY) pursuant to WIOA sec. 134.*

*Public comment will be taken from **March 15, 2021** through **April 15, 2021, 4 p.m.** (PDST), and should be submitted to the state as follows:*

By USPS mail:

*ATTN: Kristine Nelson, ESD Program Chief
DETR/Workforce Investment Support Services
1923 N. Carson Street, Ste. 200
Carson City, NV 89706*

By Facsimile:

*(775)684-0327
ATTN: Kristine Nelson, ESD Program Chief*

By Email:

kknelson@detr.nv.gov

State of Nevada Waiver Extension Request Individual Training Accounts (ITAs)

Federal statutory/regulatory requirements to be waived: Pursuant to the Workforce Innovation and Opportunity Act (WIOA) Title I and Wagner-Peyser Act waiver requirements and request process (WIOA sec. 189(i)(3)(B); 20 CFR §679.620; and TEGL 8-18), the Nevada Department of Employment Training and Rehabilitation (DETR), designated state workforce agency for the State of Nevada, is requesting to waive the requirement that limits individual training accounts (ITAs) to only out-of-school youth (OSY) ages 16-24 pursuant to 20 CFR §681.550, and to allow the use of said training funds for ITAs for **in-school youth (ISY)** per WIOA sec. 134.

If approved, this waiver would extend the current waiver USDOL approved on November 13, 2020 that is in effect through program year (PY) 2020 (June 30, 2021) for an **additional two PYs, to-wit: PY 2021 (June 30, 2022) and PY 2022 (June 30, 2023)** granting ISY the same participant opportunities and accesses that OSY have by allowing local workforce area staff to use ITAs, when appropriate, to provide education and training to ISY and promote training as another option to entry into an increasingly tough labor market. The waiver would permit local workforce boards to use Nevada's list of eligible training providers to secure training for ISY who are preparing to graduate and pursue their educational goals in postsecondary training opportunities. If this waiver is approved, local workforce boards would be required to track performance of ISYs using ITAs.

Actions for the removal of state or local statutory or regulatory barriers: There are no State of Nevada or local statutory or regulatory barriers to implementation. DETR compliance policies meet current federal program requirements.

State strategic goals/US Department of Labor priorities supported by waiver request: In the preamble to the WIOA Final Rule, U.S. Department of Labor (USDOL) indicated that ISY age 18 or older *may* access ITAs through a WIOA adult program. This creates a gap issue for younger ISY (e.g., 16-18) having the ability to access ITA-funded education and training programs who are at risk of dropping out of school. Youth caught in this gap are then vulnerable to dropping out of school, leaving the workforce program, and not achieving the education, training and certifications needed to demonstrate requisite skills to employers.

The waiver is designed to increase program flexibility and increase choice and access to opportunities based on youth customers' assessed needs in terms of training that leads to employment in high growth industry sectors and occupations. The waiver would remove barriers to training opportunities through not requiring local workforce board one-stop operators to register ISY participants who are 18 years or older in the WIOA Adult program, thus mitigating the disruption in training between WIOA Youth program enrollment to WIOA Adult program enrollment.

State of Nevada Strategic Goals: Through this waiver, the state will:

1. **Increase opportunities, access and choice to education and training programs for ISY:** By allowing the local boards the flexibility to use ITAs to provide education and training for ISY, this would result in an increased availability of workforce opportunities for ISY who may be at risk of dropping out of school.
2. **Increase WIOA Youth program completion:** By removing barriers for ISY to access education and training services, this would increase the probability of ISY successfully completing WIOA programs.
3. **Decrease WIOA Youth program disruption:** By allowing ISY who are 18 years or older, or who drop out of school, to remain in the WIOA Youth program, it would mitigate program disruption by not requiring youth to exit the ISY program and then wait 90-days to re-enroll as an OSY or to re-enroll in the WIOA Adult program. Once an ISY enrolls in a Youth WIOA program, that youth would retain ISY status until exiting from the program.

U.S. Department of Labor (U.S. DOL) Priorities: This waiver supports and aligns with the U.S. DOL's priorities in the following ways:

1. **Provide access and opportunities for education, training, employment, and supportive services:** By allowing ISY to gain the education and training resources that they need to obtain employment and be self-sustaining citizens.
2. **Increase program outcomes by decreasing program gaps:** By allowing ISY who drop out of school to retain ISY program status, this will decrease program disruption gaps, thus decreasing program dropouts and increasing program completion outcomes.
3. **Expand program options, increase flexibility and enhance customer choice:** By allowing the local boards the flexibility to provide ITAs to ISY, this expands WIOA education and training options for ISY, provides the local boards the flexibility to provide ISY the education and training resource choices they need to improve outcomes.
4. **Connecting education and training strategies:** By allowing ISY to use applicable knowledge gained in school and through training programs that improves job and career goals.

Projected programmatic outcomes from waiver: Approval of this waiver request would improve outcomes and provide other tangible benefits for jobseekers and employers as follows:

1. Increase the number of youth that utilize ITAs to gain an industry-recognized credential and/or other postsecondary credential.
2. Increase in performance accountability measures for youth as found in WIOA sec. 116(b)(2)(A)(ii), thus increasing credential attainment and measurable skills gains.
3. Increase innovative strategies to address student dropouts through dual-enrollment,

occupational training, and work-based learning opportunities (e.g., pre-apprenticeship, internships, etc.).

4. Decrease WIOA Youth program dropouts by allowing ISY to remain enrolled as mitigating the program re-enrollment gap.

Individuals, groups or populations impacted by the proposed waiver: DETR intends for this waiver to positively impact eligible youth, youth service and eligible training providers, and Nevada's workforce system through increased access to a broader scope of training providers for youth in pursuit of industry-recognized credentials and/or postsecondary training opportunities through increasing flexibility of services offered by those training providers to allow them to provide to ISY. Furthermore, this waiver would provide an increased benefit to many ISY jobseekers who may be at risk of dropping out of school to participate in ITAs while in school to mitigate said risk.

Long-term benefit to ISY participants: DETR intends that this waiver will result in long-term benefits and gains to ISY by expanding training opportunities that will allow them to increase their career and work readiness, enhance their connections to training programs that align their occupational interests to prepare them for work-based learning and employment. Furthermore, by allowing ISY access to ITAs it enhances the continuity of services for all youth in Nevada by creating gainful and sustainable career pathways, as well as creating a sustainable trained workforce for Nevada employers for the long recovery period.

Procedure for monitoring progress of waiver implementation/collection of outcome information: DETR will continue monitoring state and local area performance to assess the effectiveness of this waiver using both state and federal accountability systems to ensure that all negotiated performance measures are met including expenditure percentages, results are accurately reported and will provide necessary technical assistance to the local workforce boards, one-stop operators and service providers. As part of the monitoring and performance accountability process, DETR will collect data on waiver outcomes which will be included in the Nevada WIOA Annual Report. Any waiver renewal requests will include the most recent available outcomes data.

Assurance of state posting of the request for public comment and notification of affected local workforce development boards: DETR will provide for meaningful public review and comment. It will publish the proposed waiver in compliance with Nevada statutory requirements and will review and develop a response to all comments received. DETR has notified all local workforce boards that the agency is seeking this waiver request and sought their input before submitting this request to USDOL ETA.



PUBLIC NOTICE

*The purpose of this public notice is to solicit public review and comment on the Nevada Department of Employment, Training and Rehabilitation (DETR), on behalf of the state, **On-the-Job Training (OJT) Employer Reimbursement Waiver Request**. Pursuant to the Workforce Innovation and Opportunity Act waiver requirements and request process (WIOA sec. 189(i)(3)(B); 20 CFR §679.620; TEGL 8-18), if granted, this Waiver would extend the current USDOL-approved waiver in effect for Program Year (PY) 2020 (June 30, 2021) for an additional two **PYs: 2021** (June 30, 2022) and **2022** (June 30, 2023). Said waiver would **temporarily** waive the OJT employer reimbursement thresholds prescribed in 20 CFR §680.720 and 20 CFR §680.730 and allow a **sliding scale** for OJT training employer reimbursements ranging from 50 to up to 90 percent dependent upon the number of employees.*

*Public comment will be taken from **March 15, 2021** through **April 15, 2021, 4 p.m.** (PDST), and should be submitted to the state as follows:*

By USPS mail:

*ATTN: Kristine Nelson, ESD Program Chief
DETR/Workforce Investment Support Services
1923 N. Carson Street, Ste. 200
Carson City, NV 89706*

By Facsimile:

*(775)684-0327
ATTN: Kristine Nelson, ESD Program Chief*

By Email:

kknelson@detr.nv.gov

State of Nevada Waiver Extension Request On-the-Job Training (OJT) Training Employer Reimbursement

Federal statutory/regulatory requirements to be waived: Pursuant to the Workforce Innovation and Opportunity Act (WIOA) Title I and Wagner-Peyser Act waiver requirements and request process (WIOA sec. 189(i)(3)(B); 20 CFR §679.620; TEGL 8-18), the Nevada Department of Employment Training and Rehabilitation (DETR), designated state workforce agency for the State of Nevada, is requesting a waiver of the requirements of the Workforce Innovation and Opportunity Act (WIOA) Section 134(c)(3)(H)(i) and 20 CFR §680.720(b) in order to increase on-the-job training (OJT) employer reimbursement up to 90 percent for businesses with less than 50 employees. Pursuant to 20 CFR §680.720, employers may be reimbursed up to 50 percent of the wage rate of an OJT participant, and up to 75 percent using the criteria in 20 CFR §680.730, for the extraordinary costs of providing the training and additional supervision related to the OJT.

If approved, this waiver would extend the current waiver USDOL approved on November 13, 2020 that is in effect through program year (PY) 2020 (June 30, 2021) for an additional two PYs, to-wit: PY 2021 (June 30, 2022) and PY 2022 (June 30, 2023) to allow for a sliding scale for OJT training employer reimbursements that ranges from 50 – 90 percent, dependent on the number of employees.

Actions for the removal of state or local statutory or regulatory barriers: There are no State of Nevada or local statutory or regulatory barriers to implementation. DETR compliance policies meet current federal program requirements.

State strategic goals/US Department of Labor priorities supported by waiver request: The DETR seeks to address and enhance critical business and workforce needs in the state through an incentivized industry sector-based approach to workforce training. On-the-job training is a proven, reliable method to instill work-based training in an effective and efficient way that meets the immediate workforce needs of the state, especially in times of recovery from natural or other disasters. Employers need a durable and trained workforce, but when one is not readily available, quick and effective turnaround training is critical for the state's economy.

With the ongoing impacts of COVID-19, the State of Nevada needs the ability of such workforce training activities that provide immediate and effective relief to workforce shortages, especially in Nevada's industry sectors: tourism, gaming and entertainment; health care and medical services; construction; manufacturing and logistics; and, natural resources (e.g., solar). While general academic knowledge is important, learning skills through hands-on training allows for a quick ramp-up of the state's workforce. It allows employers to meet their immediate and long-term objectives, while providing jobseekers learning opportunities in an actual work environment that leads to a career pathway.

For smaller businesses and employers who do not typically have a large workforce on standby, this waiver will allow them opportunities to employ individuals who are dislocated from other employment due to the disaster, while still being able to utilize their limited resources for other critical aspects of business. The waiver will provide them the necessary resources for on-the-job training that will enable them to redirect other business resources to critical business needs.

On-the-job training strategies prioritized by the state match the USDOL's priority of work-based learning activities. It connects education and training pedagogies and fulfills the workforce gaps in industry sector-driven demand areas.

Projected programmatic outcomes from waiver: Approval of this waiver request would increase flexibility for smaller Nevada businesses to redirect their business resources to critical operational areas, and would increase their labor force, increasing their competitive position for jobs that are typically provided to larger companies and corporations that are able to absorb the cost of a larger workforce. The waiver would also build capacity for small Nevada businesses to draw from the local area's workforce talent, versus having to conduct costly and lengthy national recruitment activities. This waiver request's proposed scale for on-the-job training reimbursements is:

- 50 or fewer employees: **up to 90 percent** on-the-job training (OJT) employer reimbursement

Although OJT utilization has increased, local area goals have not been met due to reduced business volumes associated with social distancing and stay-at-home orders as a result of the COVID-19 Pandemic.

Individuals, groups or populations impacted by the proposed waiver: DETR intends for this waiver to benefit the large number of jobseekers who have been dislocated by the COVID-19 economic disaster. DETR further intends for this waiver to benefit a large number of Nevada employers who are in critical need for an immediate workforce to address the significant demands placed on those specific industry sectors as a result of the COVID-19 Pandemic. Finally, DETR intends for this waiver to benefit the state's economic condition, which has been devastatingly impacted as a direct result of COVID-19.

Long-term benefit to OJT participants: DETR intends that this waiver will result in long-term benefits and gains to jobseekers by creating gainful and sustainable career pathways, as well as creating a sustainable trained workforce for Nevada employers for the long recovery period.

Procedure for monitoring progress of waiver implementation/collection of outcome information: DETR will continue monitoring state and local area performance to assess the effectiveness of this waiver using both state and federal accountability systems to ensure that all negotiated performance measures are met including expenditure percentages, results are accurately reported and will provide necessary technical assistance to the Local Boards, one-stop operators and service providers. As part of the monitoring and performance accountability process, DETR will collect data on waiver outcomes which will be included in the Nevada WIOA Annual Report. Any waiver renewal requests will include the most recent available outcomes data.

Assurance of state posting of the request for public comment and notification of affected local workforce development boards: DETR will provide for meaningful public review and comment. It will publish the proposed waiver in compliance with Nevada statutory requirements and will review and develop a response to all comments received. DETR has notified all Boards that the agency is seeking this waiver request and sought their input before submitting this request to USDOL ETA.



PUBLIC NOTICE

*The purpose of this public notice is to solicit public review and comment on the Nevada Department of Employment, Training and Rehabilitation (DETR), on behalf of the state, **Out of School Youth Expenditure Requirement Waiver Request (Waiver)**. Pursuant to the Workforce Innovation and Opportunity Act waiver requirements and request process (WIOA sec. 189(i)(3)(B); 20 CFR §679.620; TEGL 8-18), if granted, this Waiver would extend the current USDOL-approved waiver in effect for Program Year (PY) 2020 (June 30, 2021) for an additional two **PYs: 2021 (June 30, 2022) and 2022 (June 30, 2023)**. Said waiver would **temporarily** waive the federal requirement contained in the Workforce Innovation and Opportunity Act (WIOA), sec. 129(a)(4) and 20 CFR §681.410 that a minimum of 75 percent of youth funds be used to serve out of school youth, and to allow the state the flexibility to reduce the out of school youth funding requirement to a **minimum of 50 percent**.*

*Public comment will be taken from **March 15, 2021 through April 15, 2021, 4 p.m. (PDST)**, and should be submitted to the state as follows:*

By USPS mail:

*ATTN: Kristine Nelson, ESD Program Chief
DETR/Workforce Investment Support Services
1923 N. Carson Street, Ste. 200
Carson City, NV 89706*

By Facsimile:

*(775)684-0327
ATTN: Kristine Nelson, ESD Program Chief*

By Email:

kknelson@detr.nv.gov

State of Nevada Waiver Extension Request Out of School Youth Expenditure Requirement

Federal statutory/regulatory requirements to be waived: Pursuant to the Workforce Innovation and Opportunity Act (WIOA) Title I and Wagner-Peyser Act waiver requirements and request process (WIOA sec. 189(i)(3)(B); 20 CFR §679.620; and TEGL 8-18), the Nevada Department of Employment Training and Rehabilitation (DETR), designated state workforce agency for the State of Nevada, is requesting to waive the requirements of the Workforce Innovation and Opportunity Act (WIOA) Section 129 (a)(4) and 20 CFR 681.410 that mandate that a minimum of 75 percent of youth funds be used to serve out of school youth (OSY).

If approved, this waiver would extend the current waiver included in Nevada’s Program Years (PYs) 2020-2023 WIOA Unified State Plan, which was approved by USDOL on June 26, 2020 that is in effect through PY 20 (June 30, 2021) for an **additional two PYs, to-wit: PY 2021 (June 30, 2022) and PY 2022 (June 30, 2023)** allowing the state the flexibility to reduce the OSY funding requirement to a minimum of 50 percent.

Actions for the removal of state or local statutory or regulatory barriers: There are no State of Nevada or local statutory or regulatory barriers to implementation. DETR compliance policies meet current federal program requirements.

State strategic goals/US Department of Labor priorities supported by waiver request: This request supports the DOL policy priorities of:

- Secondary and post-secondary educational obtainment,
- Increase youth access to educational, training, employment, and support services for at-risk in school Youth (ISY) as needed,
- Support the development of career pathways that align with in-demand career areas identified by Department of Labor and the Nevada’s Office of Workforce Innovation (OWINN).

Nevada believes that the local areas will benefit from the OSY waiver because:

- **ISY programs produce higher quality educational outcomes at a greater rate.** Nevada has examined 836 exits over PY18 and PY19 comparing educational outcomes of ISY vs. OSY who do not have a high school diploma (drop-outs). Based on educational status at participation and exit, ISY had a secondary drop-out rate of 6.6% as compared to OSY who had 46.8% of participants in the secondary drop-out educational status. In other words, ISY are more apt to remain in school, achieve a diploma and move on to post-secondary education. See table below.

Educational Status at Participation	Educational Status at Exit				Grand Total	Exits
	Not In-					
	In-School, Secondary or Less	School with Diploma or GED	In-School, Post-Secondary	Secondary Dropout		
In-School, Secondary or Less	54.0%	29.9%	9.5%	6.6%	100.0%	137
Secondary Dropout	28.9%	23.6%	0.7%	46.8%	100.0%	699
Grand Total	33.0%	24.6%	2.2%	40.2%	100.0%	836

- Increased educational outcomes are strongly correlated to long term earnings and employment outcomes.** Increased earnings and post-secondary educational attainment for high school diploma holders vs. GED holders indicates a significant benefit to implementing drop-out prevention strategies. Data presented at <https://www.census.gov/newsroom/blogs/random-samplings/2012/02/ged-recipients-have-lower-earnings-are-less-likely-to-enter-college.html> indicates, “GED certificate holders had lower earnings than those who earned a regular high school diploma regardless of sex, race and ethnicity or age. Overall, high school diploma holders earned approximately \$4,700 in mean monthly earnings compared with GED certificate holders, who earned \$3,100.” Also, the benefit of the high school diploma over the GED extends to individuals even after they obtain higher degrees. “In addition to being less likely to pursue a college education, GED certificate holders earned less than high school diploma recipients even when they did achieve higher education. Among adults who attained a bachelor’s degree or higher, the mean earnings of those who earned a high school diploma were approximately \$6,300, while the earnings of those who earned a GED certificate were approximately \$4,900.” See table below:

Characteristics of GED and High School Diploma Holders Among the Population 18 Years and Over: 2009
(Earnings in dollars)

	GED		High school diploma	
	Percent	Mean monthly earnings	Percent	Mean monthly earnings
Total	100.0	3,149	100.0	4,690
Highest Degree Level				
High school graduate	57.3	2,922	27.2	3,222
Some college	38.0	3,192	39.6	3,794
Bachelor’s degree or higher	4.8	4,852	33.2	6,305



Nevada has one of the highest, frequently the highest, drop-out rates in the nation. For 2017/18 Nevada recorded a statewide drop-out rate for 9th through 12th grade students of 3.1 percent followed by 2.7 percent for 2018/19, for the Clark County School District which is the fifth largest in the nation; the respective rates were 3.4 and 3.0 percent. Addressing the challenges which at-risk ISY face, will reduce the drop-out rate thereby reducing the number of OSY in need of WIOA services. Engagement of additional ISY through the increased availability of WIOA funding will provide them with additional education and training resources enabling them to both enter career oriented economically self-sufficient work and pursue additional post-secondary opportunities. Specific services that can be provided through WIOA include on the job training (OJT) and work experience

(WEX) opportunities which should decrease the number of youth dropping out or otherwise failing to obtain a secondary credential. These activities also allow participants to gain the hard and soft work skills necessary for successful integration into the workplace.

WIOA also allows support service assistance to program participants. A population that would particularly benefit in Nevada is foster youth. Foster youth and youth aging out of foster care, who are typically ISY, have been identified as a target population by Workforce Connections the local board organization serving the metropolitan Las Vegas area and surrounding rural areas of Clark, Nye, Lincoln and Esmeralda counties. Having access to WIOA resources should significantly increase the rate of secondary school graduation and increase their success in transitioning to adult life.

Local Boards have also targeted services toward youth involved with the juvenile justice system. Many of these are younger youth, are still enrolled in education and the ability to provide the education and career services available within WIOA will increase their chances of both high school graduation and integration into the career path workforce. Also, some populations which are currently served as OSY would be better served with an ISY program model (i.e. Incarcerated youth). Youth who are enrolled in Juvenile Justice are often enrolled in OSY programs based on educational status when they are incarcerated. Although these youths fit the definition of an OSY, they are better suited for ISY programs due to their age and goals.

As Nevada approaches the one-year mark for stay-at-home orders and mandatory capacity limits on businesses and institutions due to the COVID-19 Pandemic, many school districts are only now finalizing reopening plans. After a year of distance learning, many youth have fallen behind and disengaged from the secondary education system. Nevada expects the effects of the pandemic to persist in the years ahead, manifesting higher drop-out rates and a significant need to reengage secondary students who have fallen behind. Planned activities to utilize the requested waiver include, but are not limited to:

- A co-enrollment pilot with Cheyenne High School and the College of Southern Nevada for dual-credit enrollments.
- An in-school Summer Business Institute Initiative with the Clark County School District's (CCSD) high schools.
- A co-enrollment pilot with the CCSD's career and technical education (CTE) programs, the Nevada System of Higher Education's (NSHE's) healthcare pathway apprenticeship initiative, and NV Hope.
- A Clark County Childcare Initiative focused on foster youth.
- A My Brother's Keeper Alliance Initiative focused on five Clark County high schools.
- A CCSD School Counselor Fellowship developed by Workforce Connections that leads to five (5) CCSD counselors increased competencies in WIOA Title 1 services to remove barriers for in-school youth in their respective high schools.

While the state and local districts have made significant progress addressing the drop-out rate, this situation is an area of continued concern for education administrators and elected officials at both levels¹. Businesses, the State Board working through the Governor's Office of Workforce Innovation (OWINN) and other workforce system participants also recognize the issue as negatively impacting efforts to develop the labor force necessary to grow and diversify the state economy. Local and state agencies are attempting to address the problem but are often limited in scope and program design and additional resources provided through increased ISY funding will augment and improve their results. County school districts have developed local programs to help alleviate the situation. The Governor's Office provides significant support to the Jobs for Nevada's Graduates (J4NVG) program including the use of Governor's reserve (WIOA) funds, and the State Department of Education has developed ongoing programs and initiatives addressing issues including distance learning, homelessness, and competency-based learning intended to increase the number of students obtaining secondary credentials.

Nevada has been successful with exceeding OSY expenditure requirements. With the implementation of WIOA, the local Boards have worked diligently to transition the system from ISY dominant to OSY dominant. Several factors have contributed to continued low ISY expenditure rates:

- The original strategy for implementation of WIOA was containment of ISY expenditures.
- Procurements have been primarily designed around serving OSY.
- Shift of expenditures to OSY has limited system capacity to work with and recruit ISY in the schools.
- Continued social distancing and stay-at-home orders have negatively impacted the state's ability to increase ISY expenditures over the past year.

Approval of the proposed waiver will provide additional tools to both state and local, public and private, service providers and administrators to address Nevada's situation. The reduction would allow the local areas to continue serving the OSY population while also increasing the ability to meet the needs of ISY in alignment with WIOA's intent by supporting career pathways and the preparation of young people for in-demand careers in the workforce, regardless of a youth's school status.

DETR also recognizes the need to continue to prioritize service to OSY and will pursue strategies including youth and adult co-enrollment, seek to partner with other agencies including adult education, and will remain in compliance with all program and reporting requirements.

The State of Nevada and the Local Boards (Nevadaworks that serves northern Nevada, and Workforce Connections that serves the southern four counties of the state) also recognize their continued responsibility to address the needs of OSY. The state will monitor the Local Boards to ensure compliance with the modified funding apportionment, to provide effective, quality service to both ISY and OSY participants, and ensure that all other statutory and regulatory requirements are met by the Local Boards, one-stop operators and client service providers.

¹ **SOURCE:** Nevada Department of Education – [Nevada Accountability Report Card](http://nevadareportcard.nv.gov/di/), December 27, 2019
<http://nevadareportcard.nv.gov/di/>

Projected programmatic outcomes from waiver: Approval of this waiver extension request would permit the Local Boards the opportunity to determine how best to meet the educational and training needs of youth, regardless of school status, and specific to the population, geographical location, and the economic and employment conditions of each workforce area. Nevada is a majority/minority state, both Boards are responsible for serving urban and rural populations, both have areas of extreme poverty and significant English language learner populations. Approval of the waiver will allow Nevada to efficiently target all at-risk youth, meet the revised expenditure targets and negotiated performance measures for this client population. Nevada expects to shift \$2.3 million from OSY expenditures to ISY expenditures to enroll 300 additional ISY because of the waiver. As a result, Nevada expects the following outcomes associated with WIOA:

WIOA School Status at Exit	ISY	OSY	Inc/(Dec)
Drop Outs	75	(164)	(89)
Diploma / GED	225	(86)	139
Entered Post-Secondary	62	(3)	59

Individuals, groups or populations impacted by the proposed waiver: DETR intends for this waiver to benefit the large number of at-risk ISY in Nevada. It will reduce barriers to education, training, and employment and will continue to serve OSY as a priority population as required by WIOA. Nevada expects to enroll 250 fewer OSY because of the proposed waiver.

Long term benefit to ISY participants: Based on Census data, noted above, long term educational achievement outcomes not measured by WIOA are projected to be as follows:

Highest Educational Level Achieved	ISY	OSY	Inc/(Dec)
Diploma / GED	225	(86)	139
Some College	89	(32)	57
Bachelor's or higher	75	(4)	71
Median Monthly Earnings			
Diploma / GED	\$724,950	(\$249,869)	\$475,081
Some College	\$338,045	(\$103,724)	\$234,321
Bachelor's or higher	\$470,984	(\$19,916)	\$451,068

Procedure for monitoring progress of waiver implementation/collection of outcome information: DETR will continue monitoring state and local area performance using both state and federal accountability systems to ensure that all negotiated performance measures are met including expenditure percentages, results are accurately reported and will provide necessary technical assistance to the Local Boards, one-stop operators and service providers. As part of the monitoring and performance accountability process, DETR will collect data on waiver outcomes which will be

included in the Nevada WIOA Annual Report. Any waiver renewal requests will include the most recent available outcomes data.

Assurance of state posting of the request for public comment and notification of affected local workforce development boards: DETR will provide for meaningful public review and comment. It will publish the proposed waiver in compliance with Nevada statutory requirements and will review and develop a response to all comments received. DETR has notified all Boards that the agency is seeking this waiver request and sought their input before submitting this request to DOLETA.