

NOV 9 - 2009

The Honorable Jim Gibbons
Governor of Nevada
State Capitol
101 North Carson Street
Carson City, Nevada 89701

Dear Governor Gibbons:

As part of Nevada's modification to the State Plan for Title I of the Workforce Investment Act (WIA) and the Wagner-Peyser Act, the State submitted waiver plans to request that the State's waivers of statutory and regulatory requirements under WIA be approved for the remainder of Program Year (PY) 2009 (copy enclosed). These requests are written in the format identified in WIA section 189(i)(4)(B) and 20 CFR 661.420(c) and appear to meet the standard for approval at 20 CFR 661.420(e). The following is the disposition of the State's submission. This action is taken under the Secretary's authority to waive certain requirements of WIA Title I, Subtitles B and E, and sections 8-10 of the Wagner-Peyser Act.

In a letter dated June 29, 2009, ETA granted Nevada approval of the following waivers through June 30, 2010:

- Waiver of the prohibition at 20 CFR 664.510 on the use of Individual Training Accounts for older and out-of-school youth.
- Waiver to permit the State to replace the performance measures at WIA Section 136(b) with the common measures.

The approval for these waivers remains in effect. The letter dated June 29, 2009 granted temporary extensions of the remainder of Nevada's waiver requests. The previous approval of the extensions is hereby terminated and replaced by decisions set forth in this letter. Unless otherwise indicated, all waiver approvals that follow apply to both WIA formula funds and funds made available under the American Recovery and Reinvestment Act of 2009.

Requested Waivers

Requested Waiver: Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for on-the-job training.

The State is requesting a waiver to permit an increase in employer reimbursement for on-the-job training through a sliding scale based on the size of the business. The State is

granted this waiver through June 30, 2010. Under the waiver, the following reimbursement amounts will be permitted: 1) up to 90 percent for employers with 50 or fewer employees, and 2) up to 75 percent for employers with 51-250 employees. For employers with more than 250 employees, the current statutory requirements (50 percent reimbursement) will continue to apply. When determining the funding source for on-the-job training, the State must use the appropriate program funds for the appropriate WIA-eligible population. The State may provide on-the-job training to low-income adults with WIA Adult funds, and may provide on-the-job training to dislocated workers with WIA Dislocated Worker funds. On-the-job training provided with statewide funds must serve WIA eligible individuals.

Requested Waiver: Waiver of WIA Section 133(b)(4) to increase the allowable transfer amount between Adult and Dislocated Worker funding streams allocated to a local area.

The State is requesting a waiver to permit an increase in the amount a state is allowed to transfer between the Adult and Dislocated Worker funding streams. The State is granted this waiver through June 30, 2010. Under the waiver, transfer authority is limited to 50 percent. This limitation provides states flexibility while ensuring consistency with Congressional intent regarding the level of funding appropriated for the WIA Adult and Dislocated Worker programs. As stated in ETA Training and Employment Guidance Letter (TEGL) No. 14-08, Section 19, issued on March 18, 2009, this waiver does not apply to funds made available through the American Recovery and Reinvestment Act of 2009. However, the State is permitted to transfer up to 30 percent of ARRA funds between programs under WIA and under the Department of Labor Appropriations Act of 2009. This authority is discussed in TEGL No. 14-08, change 1.

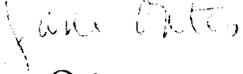
Requested Waiver: Waiver of WIA Section 134(a) to permit local areas to use a portion of local funds for incumbent worker training

The State has withdrawn this request.

The approved waivers are incorporated by reference into the State's WIA Grant Agreement, as provided for under paragraph 3 of the executed Agreement, and this constitutes a modification of the State Plan. A copy of this letter should be filed with the State's WIA Grant Agreement and the approved State Plan. In addition, as required by TEGL No. 14-00, Change 3, the State should address the impact these waivers have had on the State's performance in the WIA annual performance report, due on October 1 of each year.

We look forward to continuing our partnership with you and achieving better workforce outcomes. If you have any questions related to the issues discussed above, please contact Richard Trigg, the Regional Administrator for Region VI, at (415) 625-7900 or Trigg.Richard@dol.gov.

Sincerely,



Jane Oates
Assistant Secretary

Enclosure

cc: Denise Dombeck, Federal Project Officer for Nevada, ETA San Francisco Regional Office

**STATE OF NEVADA
WAIVER REQUEST**

INCUMBENT WORKER TRAINING AT THE LOCAL AREA LEVEL

The Governor's Workforce Investment Board, and the State of Nevada Department of Employment, Training and Rehabilitation, Nevada's administrative entity for WIA Title I B programs, requests a waiver allowing a portion, up to ten percent, of WIA formula funds to be utilized to operate an incumbent worker training program at the local workforce investment board (LWIB) level. These funds would be utilized in the same manner as statewide activities funding for incumbent worker programs. WIA common measures will not be applicable, rather the local areas will be required to report program outcomes based on a set of predetermined criteria.

Waiver Duration: July 1, 2009 through June 30, 2010.

This waiver request follows guidelines identified in WIA Section 189(i)(4)(B) and WIA Final Rules at 20 CFR Section 661.420(c).

Statutory and Regulatory Sections to be Waived:

The State of Nevada requests a waiver from the provisions of WIA Section 134 (use of funds for employment and training activities), as well as a waiver from the provisions of WIA 20 CFR §663.145 regarding the use of WIA Title I Adult and Dislocated Worker formula funds to allow local areas to operate an incumbent worker program as described under Section 134(a)(3)(A)(iv)(I) and 20 CFR §665.210 and 665.220.

State or Local Statutory Regulatory Barriers:

There are no known state or local statutory or regulatory barriers to implementing the waiver. The only known barriers are federal in nature as described above.

Goals and Programmatic Outcomes to be Achieved by the Waiver:

The implementation of the incumbent worker program waiver will enhance overall WIA programs and activities at the local level. Providing additional flexibility for the use of formula funds will enable LWIBs to tailor their programs to meet demands of local employers, and the needs of incumbent workers.

The goals of this waiver are:

- Increase employer exposure and use of the state's public workforce system
- Improve the state's overall economic and business climate
- Enhance the LWIBs ability to respond more quickly and efficiently to immediate local needs
- Increase skills and wages for the incumbent worker

Individuals Impacted by the Waiver:

This waiver will benefit the participating employers and incumbent workers. The flexibility of this waiver will encourage LWIBs to increase their services and become more responsive and innovative to meeting existing and new customers' needs.

Process Used to Monitor Progress in Implementing the Waiver:

The Nevada Department of Employment, Training and Rehabilitation, Workforce Investment Support Services unit will monitor the implementation and impact of the waiver through quarterly and fiscal reviews and reports. The LWIBs will be required to report on the following participant data:

- Number of participants
- Number of participants who completed training
- Type of training provided
- Length of training provided
- Number of program participants who received a credential or certificate
- Program participant's wage at completion of training and six months after completion

Process for Notice to Public and Local Boards and the Opportunity to Comment:

The waiver was posted to the home page of the Department of Employment, Training and Rehabilitation (DETR) for public comment. Both Local Workforce Investment Boards (LWIBs) were notified via electronic submittal of this waiver request to afford them the opportunity to comment prior to the formal submission to USDOL-ETA. Endorsement of this waiver request has been received from both LWIBs.

**STATE OF NEVADA
WAIVER REQUEST**

**TRANSFER OF WORKFORCE INVESTMENT ACT (WIA) TITLE 1B FUNDS BETWEEN THE
ADULT AND DISLOCATED WORKER FUNDING STREAMS**

The Governor's Workforce Investment Board, and the State of Nevada Department of Employment, Training and Rehabilitation, Nevada's administrative entity for WIA Title IB programs, request an extension to this waiver, approved by USDOL in June 2005, of the legislative provisions calling for the transfer of no more than 30 percent of the program year's allocation between the Adult and Dislocated Worker funding streams. The waiver would grant individual LWIBs, with the Governor's approval, the ability to transfer up to 100 percent of each program year allocation between the Adult and Dislocated Worker funding streams, to continue thru Program Years 2009 with the exception of ARRA fund, which only allows for a 30 percent transfer .

Waiver Duration: July 1, 2009, through June 30, 2010, or upon re-authorization of the Workforce Investment Act, whichever occurs later.

This waiver request follows guidelines identified in WIA Section 189(i)(4)(B) and WIA Final Rules at 20 CFR Section 661.420(c).

Statutory and Regulatory Sections to be Waived:

Statute: P.L. 105-220, WIA Section 133(b)(4) and Regulations: 20 CFR, WIA Final Rules Section 667.140(a); and Training and Employment Guidance Letter 23-02 provide that with the approval of the Governor, Local Workforce Investment Boards (LWIBs) may transfer up to 30% of a program year's allocation for adult employment and training activities, and up to 30% of a program year's allocation for dislocated worker employment and training activities between the two programs.

In Nevada, the two Local Workforce Investment Areas (LWIAs) are comprised of diverse economic and cultural communities that present unique challenges to the provision of WIA services. In addition, a disproportion of Nevadan's reside in the Las Vegas MSA (i.e. Clark County) which accounts for 70% of the state's population, versus those who reside in the balance of the sixteen (16) Nevada counties, necessitates the need for maximum flexibility in the transfer of funds.

The Governor's Workforce Investment Board has consistently advocated for local alliances through the establishment of the statewide Nevada JobConnect system that strengthen the level and mix of services to job seekers, as well as streamlining service delivery. However, local decisions have been constrained by Federal funding rules that limit funding and, thus, services to adults or dislocated workers seeking assistance to obtain or retain employment through the Nevada JobConnect system. Maximum flexibility in the transfer of funds would help ensure that services to both adults and dislocated workers would be maintained at levels sufficient to meet the distinct needs of each group. This flexibility would also help support local service plans that must integrate the cultural, educational, and employment-related needs unique to each local workforce community, both urban and rural.

State or Local Statutory Regulatory Barriers:

There are no state or local statutory or regulatory barriers to implementing the waiver. The Governor's Workforce Investment Board state policies are in compliance with current Federal guidelines. Upon notification of approval of this waiver request, WIA State Compliance policy Section 3.8 will be updated to comply with the revised timeframe of the waiver. The state policy outlines specific actions each LWIB must take in requesting the Governor's approval to modify or revise the LWIB's transfer rate (%) between the Adult and Dislocated Worker funding streams. Specific actions include, but are not limited to, a formal request to be submitted by the LWIA to the State for review and action, and formal modification of the LWIB's Local Plan upon approval of an increased transfer rate, if applicable.

Goals and Programmatic Outcomes to be Achieved by the Waiver:

- Enhance the ability of the local boards to respond to workforce and economic dynamics within their local areas.
- Increase local flexibility in the design and delivery of adult and dislocated worker services through the Nevada JobConnect system.
- Improve performance outcomes as a result of increased ability to provide needed services.
- Improve the ability of local boards to provide targeted assistance in response to the demands of the workforce, businesses and local communities.
- Increase business and individual customer satisfaction with the JobConnect system.

The responsibility of LWIBs is to plan, oversee, and evaluate the delivery of WIA employment and training programs in their respective areas through the One-Stop service delivery system, in Nevada, the Nevada JobConnect system. Because of Nevada's size, its population distribution, its cultural diversity, and the remoteness of many of its communities, customer needs vary greatly from one local workforce investment area to the other and within the respective areas. The flexibility to transfer funds between the adult and dislocated worker programs allows LWIBs to respond more effectively to their individual communities.

With the waiver, LWIBs would be able to design programs that address the specific service priorities among their business and individual customers, and that lead to customer employment and eventual self-sufficiency. The waiver would also help position Nevada's workforce as a better skilled and more competitive workforce in the diversification of Nevada's economy.

Individuals Impacted by the Waiver:

The waiver is expected to benefit LWIBs, Nevada JobConnect partner programs, employers, service providers, and WIA customers overall.

- LWIBs will have the flexibility to design and implement programs based on local needs and priorities.
- Nevada JobConnect partner programs will be able to better align their service offerings with those of the local WIA Programs.
- Employers will be better served through job-seekers that acquire skills specific to each employer's needs.
- WIA program participants will receive appropriate services based on client needs.

- Funding will be utilized effectively and efficiently, resulting in an increase in the number of individuals to be served in the aggregate.

Process Used to Monitor Progress in Implementing the Waiver:

The Nevada Department of Employment, Training and Rehabilitation, Workforce Investment Support Services Unit is charged with monitoring compliance with WIA requirements. Nevada's statewide performance tracking system, Nevada JobConnect Operating System, has the capability of continually assessing the effectiveness of the WIA programs. Waivers will not be granted to local workforce areas until appropriate policies and guidelines have been reviewed and approved by the Governor's Workforce Investment Board. These policies and guidelines will ensure that appropriate funding levels remain allocated to the needs of both adults and dislocated workers in the State of Nevada.

Process for Notice to Public and Local Boards and the Opportunity to Comment:

Nevada's two LWIBs will be notified via electronic submittal of this waiver request to afford them the opportunity to comment prior to formal submittal to USDOL-ETA. Preliminary endorsement of this waiver request has been received from both LWIBs.

**STATE OF NEVADA
WAIVER REQUEST**

EMPLOYER REMBURSEMENT RATE FOR ON-THE-JOB TRAINING

The Governor's Workforce Investment Board, and the State of Nevada Department of Employment, Training and Rehabilitation, Nevada's administrative entity for WIA Title I B programs, requests a waiver of the reimbursement rate of 50 percent to employers for providing on-the-job training opportunities for adults, dislocated worker and older youth to a match based on a sliding scale ranging from 10 to 35 percent for the employer match.

Specifically the Governor shall establish or may authorize the Local Workforce Investment Boards (LWIBs) to establish the sliding scale, which shall be not less than 10 percent of the costs for employers with 50 or fewer employees; 25 percent of the costs for employers with 50 to 100 employees; and 35 percent of the costs for employers with more than 100 employees.

It is in the best interest of Nevada and its citizens to seek a waiver of the required 50 percent or less of the wage reimbursement rate due to the continued economic downturn in Nevada and reaching the highest unemployment rate since 1983 in the month of March 2009.

Waiver Duration: July 1, 2009 through June 30, 2010.

This waiver request follows guidelines identified in WIA Section 189(i)(4)(B) and WIA Final Rules at 20 CFR Section 661.420(c).

Statutory and Regulatory Sections to be Waived:

Section 101 (31)(B) of the Workforce Investment Act and §663.710(b).

State or Local Statutory Regulatory Barriers:

There are no known state or local statutory or regulatory barriers to implementing the waiver. The only known barriers are federal in nature as described above.

Goals and Programmatic Outcomes to be Achieved by the Waiver:

- By removing the requirement for a 50 percent employer match toward the cost of on-the-job training, LWIBs and their service providers will be able to more effectively market on-the-job to the private sector and building or expanding relationships with employers in demand/high growth industries.
- The proposed waiver will increase the responsiveness of the LWIBs in dealing with the increased number of unemployed Nevadans during this economic downturn.
- The proposed sliding scale will provide the LWIBs with greater flexibility for responding to changes in their local labor markets.
- The sliding scale will allow local areas to serve those businesses that demonstrate the greatest need for financial assistance to support economic development.

- Will ensure that WIA funds allocated to each local area are being utilized in a way that will meet the needs of the business community.
- The proposed sliding scale will provide the required match at a level more suited to their size and should increase participation in the on-the-job training program at the local level.
- The waiver will increase the number of employers using on-the-job training as a means to hire and retain skilled workers.

Individuals Impacted by the Waiver:

The waiver is expected to benefit both Nevada employers and the large number of unemployed Nevadans.

Employers will benefit from the waiver due to the reduced match requirement. This will make on-the-job training a more attractive option for acquiring workers trained to their specifications.

The waiver will also have a positive impact on unemployed Nevadans eligible for services under WIA.

Process Used to Monitor Progress in Implementing the Waiver:

The Nevada Department of Employment, Training and Rehabilitation, Workforce Investment Support Services unit will monitor the implementation and impact of the waiver through annual on-site reviews.

Process for Notice to Public and Local Boards and the Opportunity to Comment:

The waiver was posted to the home page of the Department of Employment, Training and Rehabilitation (DETR) for public comment. Both Local Workforce Investment Boards (LWIBs) were notified via electronic submittal of this waiver request to afford them the opportunity to comment prior to the formal submission to USDOL-ETA. Endorsement of this waiver request has been received from both LWIBs.

**STATE OF NEVADA
WIA WAIVER REQUEST**

WIA Youth ITA For Older and Out-of-School Youth

Statutory and Regulatory Sections to be Waived:

The Governor's Workforce Investment Board and the State of Nevada Department of Employment, Training and Rehabilitation (DETR), Nevada's administrative entity for Workforce Investment Act (WIA) Title I-B programs, request a waiver for WIA Section 123 and §664.510, which excludes the use of Individual Training Accounts (ITAs) for older and out-of-school youth. Approval of this waiver would allow youth to select training providers from the eligible training provider (ETP) list.

Waiver Duration: Date approved by the Employment and Training Administration through June 30, 2010 or upon re-authorization of the Workforce Investment Act.

This waiver request follows guidelines identified in WIA Section 189(i)(4)(B) and WIA Final Rules at 20 CFR Section 661.420(c).

State or Local Statutory Regulatory Barriers:

There are no known state or local statutory or regulatory barriers to implementing this waiver. The only known barriers are federal in nature as described above.

Goals to be Achieved by the Waiver:

This waiver will expand the service delivery options for older and out-of-school youth. It will allow youth, who are not following an academic track, but are more employment-focused, the same access to ITAs for training services as adults and dislocated workers.

Eliminate the need for co-enrollment in either the adult or dislocated worker program, and streamline the process for youth assessed to be in need of training services.

To increase efficiency and customer choice for the older and out-of-school youth, while reducing some of the administrative costs of procuring training providers for youth.

Charging the ITA cost to the youth program instead of adult or dislocated worker program would reduce the dependence on the limited adult/dislocated worker funds and would increase the funds applied to the 30 percent out-of-school expenditure rate, which is a requirement for youth funds.

Individuals Impacted by the Waiver:

- Older and out-of-school youth will benefit because they will be able to select from a list of certified training providers and will receive services more quickly.
- Local areas will benefit because they will not have to direct their resources to costly and time-consuming, competitive procurements.
- Training providers will benefit because they will not have to follow two separate procedures to provide training for adults and dislocated workers, which require certification, and for older and out-of-school youth, which require competitive bidding.

Process Used to Monitor Progress in Implementing the Waiver:

Once the waiver is approved, the WIA State Compliance Policy Section 1.9 – Individual Training Accounts, will be revised to reflect the use of ITAs for both older and out-of-school youth.

The compliance instrument for on-going review of youth records in the Nevada JobConnect Operating System will be changed to include which training provider was selected and to ensure provider is on the current ETP list.

Process for Notice to the Public and Local Boards and the Opportunity to Comment:

The waiver was posted to the home page of the Department of Employment, Training and Rehabilitation (DETR) for public comment. The Southern Nevada Workforce Investment Board requested the waiver, and both Local Workforce Investment Boards (LWIB) discussed and approved the waiver at the March 10 Workforce Development Coordination Meeting, a meeting between DETR and LWIB staff.