

December 16, 2020

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

RE: SCP (3.6) Cost limitations

Dear Ms. Nelson:

The local boards, Nevadaworks and Workforce Connections, are requesting the alignment of state policy with federal regulations where there is no minimum training expenditure requirement. The minimum training expenditure rate for WIOA Title I Adult and Dislocated Workers was initially set at 30 percent for Program Year 2015 due to Executive Order 2012-18 requiring the Governor's Workforce Development Board (GWDB) to establish minimum training expenditure rates. These are very different times than 2015, so accordingly, this requirement was temporarily reduced to 15 percent by the GWDB to help local boards better respond to the effects of the pandemic. The impact of COVID-19 has deepened since then and more workers will be in need to return to work as soon as permitted to do so. We respectfully request the GWDB align state policy to federal regulations by setting the minimum training expenditure rate required by Executive Order 2012-18, written in 2012, to zero percent until further notice.

Small businesses will need all the help they can get to hire workers as Nevada recovers. One-Stop Centers will see increased traffic of displaced workers seeking to return to work. The majority of these individuals will require career services other than training. Some examples are work experience (WEX), tools, uniforms, transportation, childcare, work cards/licenses, and other supportive services. The mission of the One-Stop System is to remove barriers to employment. The need for training is only one of many barriers our clients might be faced with. It is counterproductive to set a minimum amount for any of those allowable activities to remove barriers. It is impossible to predict the exact amount that will be needed for any of the allowable activities. This will depend on demand and this is why there is no similar requirement in the federal regulations. Furthermore, it is counterproductive to set training related policy that pertains to only WIOA Title I programs, which represent 20 percent of the total funds allocated to the system.

These are unprecedented times, and we need all the flexibility allowed in the legislation to best serve businesses and jobseekers in their greatest time of need. While this requirement might have made sense in a thriving economy, listed below is a summary of the impact of the state-imposed minimum training expenditure percentage in today's economic conditions:

- The requirement is a fiscal burden on service providers as the rate is calculated against the total allotment to the local areas. This requires the One-Stop Centers to spend at a higher percentage (i.e., the 15 percent requirement translates to 20 percent requirement in WIOA Title I Adult and Dislocated Worker contracts). This is necessary in order to offset One-Stop Operator and local board expenditures, which do not have WIOA dollars in them for participant training.

- Limits Return on Investment (ROI) for the public funds including:
 - Encourages potential use of higher-cost trainings and unnecessary training enrollments.
 - Discourages leveraging of resources across the system (e.g., the WIOA Title I service provider is seeking to braid funding on training costs with Vocational Rehabilitation; however, because the WIOA Title I service provider is short of the percentage requirement on training expenditures, they opt to pay 100 percent of the training costs by themselves and not braid funding).
 - Encourages a “one size fits all” approach to workforce development (i.e., assumes that training is required of most participants).
 - Increases cost per participant limiting the total number of people served.
- Limits vital programmatic services including:
 - Limits capacity-building at the One-Stop Centers to properly serve the unprecedented high number of dislocated workers.
 - Limits other supportive services that are much needed in today’s economic conditions.
 - Limits the ability to serve the high volume of individuals who will require other services besides training (e.g., work cards, tools, uniforms, childcare, transportation assistance, etc.)

In order to meet the need of the dislocated workers in today’s economic conditions, we respectfully request your help once again. Your continued support during these incredibly challenging times is appreciated. The GWDB’s decision to grant our request will have a tremendous beneficial impact on the difficult work ahead of us.

Yours in partnership,



Jaime Cruz
Executive Director, Workforce Connections



John Thurman
Chief Executive Officer, Nevadaworks