

State of Nevada Waiver Request Out of School Youth Expenditure Requirement

Federal statutory/regulatory requirements to be waived: The Nevada Department of Employment Training and Rehabilitation (DETR) is requesting a waiver of 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). DETR is requesting a waiver to allow Nevada 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 908 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 9.4% as compared to OSY who had 43.1% 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	48.4%	28.3%	13.8%	9.4%	100.0%	159
Secondary Dropout	30.8%	25.5%	0.5%	43.1%	100.0%	749
Grand Total	33.9%	26.0%	2.9%	37.2%	100.0%	908

- **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.

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 (JAGNV) 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.

Approval of the proposed waiver will provide additional tools to both state and local, public and

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

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.

Projected programmatic outcomes from waiver: Approval of this waiver 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	(156)	(81)
Diploma / GED	225	(94)	131
Entered Post-Secondary	80	(2)	79

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	(94)	131
Some College	89	(36)	53
Bachelor's or higher	75	(5)	70
Median Monthly Earnings			
Diploma / GED	\$724,950	(\$274,995)	\$449,955
Some College	\$338,045	(\$114,154)	\$223,891
Bachelor's or higher	\$470,984	(\$21,918)	\$449,065

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.