

**Nevada Department of Employment, Training and Rehabilitation
Employment Security Division
Workforce Innovation Support Services**

**Workforce Innovation and Opportunity Act (WIOA)
State Compliance Policy (SCP)**

Policy Number: 5.8

Originating Office: Department of Employment, Training and Rehabilitation (DETR); Workforce Innovation Support Services (WISS)

Subject: Governor’s Reserve Funding Set Aside for Special Projects

Approved: Ratified Governor’s Workforce Development Board (GWDB) Executive Committee March 19, 2025; revising WIA State Compliance Policy 5.8

Purpose: To provide the requirements for use of Governor’s Reserve funding in pilot projects.

State Imposed Requirements: This directive contains some state-imposed requirements. These requirements are printed in *bold, italicized* type.

Authorities/References: Workforce Innovation and Opportunity Act (P.L. 113-128); 20 CFR §§ 682.100-220 and 683.120; 2 CFR, Part 200: §§ 200.201, 200.306 and 200.331; TEGL 14-18 and TEGL 10-16, Change 3; Nevada SCPs

ACTION REQUIRED: Upon issuance bring this guidance to the attention of all service providers of this funding Local Workforce Development Board (LWDB) members and any other parties concerned.

Background: WIOA provides a reservation of funds for statewide employment and training activities. These activities are undertaken by the States, rather than by LWDBs; both the required and allowable activities are addressed in [20 CFR § 682](#). WIOA designates up to 15 percent of the funds that may be devoted to these activities from annual allotments to the States. The funds are reserved from youth, adult, and dislocated worker funding streams. A designated portion of the set-aside funds are to be used for establishing and implementing innovative training programs that demonstrate the capacity to enhance the state’s workforce system integrating workforce, education and economic development services that break down barriers to access job-driven training resulting in employment opportunities and that assist in the effective and efficient implementation of WIOA regulations within Nevada’s economic development regions. Organizations with the administrative capacity and a history of successfully implementing innovative pilots and other priority projects are eligible to apply for funding.

POLICY AND PROCEDURES:

Funds should be used to integrate the workforce, education and economic development services and respond to the talent pipeline within local area(s) by implementing innovative programs and strategies designed to meet the needs of business. Programs and strategies may include incumbent worker training programs, customized training, sectoral and industry cluster strategies and implementation of industry or sector partnerships and career pathway programs. Projects may include microenterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, activities to improve linkages between workforce partners, and other business services and strategies that better engage employers in workforce investment activities and make the workforce development system more relevant to the needs of State and local businesses. Programs should develop and/or implement education and training programs that respond to the labor market analysis within the local area(s). Projects should ensure that training credits position participants to attain industry-recognized credentials *approved by the GWDB* and are portable and stackable and allow participants to accelerate through the program, as outlined below in WIOA Sec. 134(a)(3).

Allowable Statewide Employment and Training Activities (WIOA Sec. 134(a)(3))

(3) ALLOWABLE STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES. —

(A) IN GENERAL.—Funds reserved by a Governor under sections 128(a)(1) and 133(a)(1) and not used under paragraph (1)(A) or (2)(B) (regardless of whether the funds were allotted to the State under section 127(b)(1)(C) or paragraph (1)(B) or (2)(B) of section 132(b)) may be used to carry out additional statewide employment and training activities, which may include—

- (i) implementing innovative programs and strategies designed to meet the needs of all employers (including small employers) in the State, which programs and strategies may include incumbent worker training programs, customized training, sectoral and industry cluster strategies and implementation of industry or sector partnerships, career pathway programs, microenterprise and entrepreneurial training and support programs, utilization of effective business intermediaries, layoff aversion strategies, activities to improve linkages between the one-stop delivery system in the State and all employers (including small employers) in the State, and other business services and strategies that better engage employers in workforce investment activities and make the workforce development system more relevant to the needs of State and local businesses, consistent with the objectives of this title;
- (ii) developing strategies for effectively serving individuals with barriers to employment and for coordinating programs and services among one-stop partners;
- (iii) the development or identification of education and training programs that respond to real-time labor market analysis, that utilize direct assessment and prior learning assessment to measure and provide credit for prior knowledge, skills, competencies, and experiences, that evaluate such skills and competencies for adaptability, that ensure credits are portable and stackable for more skilled employment, and that accelerate course or credential completion. *[Training credits should ensure participants are positioned to attain industry-recognized credentials approved by the GWDB];*
- (iv) implementing programs to increase the number of individuals training for and placed in nontraditional employment;

- (v) carrying out activities to facilitate remote access to services, including training services described in subsection (c)(3), provided through a one-stop delivery system, including facilitating access through the use of technology;
- (vi) supporting the provision of career services described in subsection (c)(2) in the one-stop delivery systems in the State;
- (vii) coordinating activities with the child welfare system to facilitate provision of services for children and youth who are eligible for assistance under section 477 of the Social Security Act (42 U.S.C. 677);
- (viii) activities—
 - (I) to improve coordination of workforce investment activities with economic development activities;
 - (II) to improve coordination of employment and training activities with—
 - (aa) child support services, and assistance provided by State and local agencies carrying out part D of Title IV of the [Social Security Act](#) (42 U.S.C. 651 et seq.);
 - (bb) cooperative extension programs carried out by the Department of Agriculture;
 - (cc) programs carried out in local areas for individuals with disabilities, including programs carried out by State agencies relating to intellectual disabilities and developmental disabilities, activities carried out by Statewide Independent Living Councils established under section 705 of the [Rehabilitation Act of 1973](#) (29 U.S.C. 796d), programs funded under part B of chapter 1 of Title VII of such Act (29 U.S.C. 796e et seq.), and activities carried out by centers for independent living, as defined in section 702 of such Act (29 U.S.C. 796a);
 - (dd) adult education and literacy activities, including those provided by public libraries;
 - (ee) activities in the corrections system that assist ex-offenders in reentering the workforce; and
 - (ff) financial literacy activities including those described in section 129(b)(2)(D); and
 - (III) consisting of development and dissemination of workforce and labor market information;
- (ix) conducting research and demonstration projects related to meeting the employment and education needs of adult and dislocated workers;
- (x) implementing promising services for workers and businesses, which may include providing support for education, training, skill upgrading, and statewide networking for employees to become workplace learning advisors and maintain proficiency in carrying out the activities associated with such advising;
- (xi) providing incentive grants to local areas for performance by the local areas on local performance accountability measures described in section 116(c);
- (xii) adopting, calculating, or commissioning for approval an economic self-sufficiency standard for the State that specifies the income needs of families, by family size, the number and ages of children in the family, and substate geographical considerations;
- (xiii) developing and disseminating common intake procedures and related items, including registration processes, materials, or software; and
- (xiv) providing technical assistance to local areas that are implementing pay-for-performance contract strategies, which technical assistance may include providing assistance with data collection, meeting data entry requirements, identifying levels of performance, and conducting evaluations of such strategies.

(B) LIMITATION -

(i) IN GENERAL.—Of the funds allotted to a State under sections 127(b) and 132(b) and reserved as described in sections 128(a) and 133(a)(1) for a fiscal year—

(I) not more than 5 percent of the amount allotted under section 127(b)(1);

(II) not more than 5 percent of the amount allotted under section 132(b)(1); and

(III) not more than 5 percent of the amount allotted under section 132(b)(2), may be used by the State for the administration of statewide youth workforce investment activities carried out under section 129 and statewide employment and training activities carried out under this section.

(ii) USE OF FUNDS.—Funds made available for administrative costs under clause (i) may be used for the administrative cost of any of the statewide youth workforce investment activities or statewide employment and training activities, regardless of whether the funds were allotted to the State under section 127(b)(1) or paragraph (1) or (2) of section 132(b).

Statewide employment and training activities include those activities for adults and dislocated workers, as described in WIOA Sec. 134(a), and statewide youth activities, as described in WIOA Sec. 129(b). They include both required and allowable activities. In accordance with the requirements of this subpart, the State may develop policies and strategies for the use of statewide employment and training funds. Descriptions of these policies and strategies must be included in the State Plan. Reference [20 CFR §682.100](#)

Funds reserved by the Governor for statewide workforce investment activities may be combined and used for any of the activities authorized in WIOA Sec. 129(b), 134(a)(2)(B), or 134(a)(3)(A) (which are described in §§ [682.200](#) and [682.210](#)), regardless of whether the funds were allotted through the youth, adult, or dislocated worker funding streams. Reference [20 CFR § 682.110\(b\)](#)

Guiding Principles:

Nevada's principles to guide action across the workforce, education and economic development systems include:

- Labor Market Demand-driven Orientation
- Strong Partnership with Business at all levels
- Career Pathways as Identified by Sector Councils
- Cross-Agency Collaboration and Alignment
- Integrated Service Delivery
- Access and Opportunity for all Populations
- Focus on Continuous Improvement, Innovation, and Return on Investment

Process for Selection

Funds reserved by the Governor for statewide workforce investment activities may be combined and used for any of the activities authorized in WIOA Sec. 129(b), 134(a)(2)(B), or 134(a)(3)(A) (which are described in §§ [682.200](#) and [682.210](#)), regardless of whether the funds were allotted through the youth, adult, or dislocated worker funding streams. Reference [20 CFR § 682.110\(b\)](#)

The process for selecting a subrecipient under the CFR involves evaluating the subrecipient's/vendor's capacity and the quality of their proposal (pre-award assessment). The State makes a case-by-case decision for each agreement. The State must use judgment in classifying each

agreement as a subaward or a procurement contract. In making this determination, the substance of the relationship is more important than the form of the agreement. Reference [2 CFR § 200.331](#)

All WIOA Title I State set-aside (aka, Governor's Reserve) subrecipients/vendors are selected through consultation with the Nevada Governor's office and awarded by DETR. DETR utilizes a checklist for determining the subrecipient or vendor/contractor classification, which is kept in each subrecipient program file within WISS.

A SAM- System for Award Management (SAM.gov) registration is required for any entity to bid on and get paid for federal contracts or to receive federal funds unless they are second-tier subrecipients ([2 CFR § 25.105\(b\)](#)) or fall under the exceptions in [2 CFR § 25.110](#). These include for profit businesses, nonprofits, government contractors, government subcontractors, state governments, and local municipalities. Once approved registration will be valid for one year and must be renewed each year to remain active and compliant.

Factors considered:

- **Capacity**-The subrecipient's ability to carry out the work in a timely manner, and their ability to adhere to federal program requirements
- **Quality**-The quality of the subrecipient's proposal, and the nature of the activity they are proposing to carry out
- **Risk**-The subrecipient's history of performance, the results of previous audits, and any potential conflicts of interest
- **Eligibility**-Whether the subrecipient meets the definition of a subrecipient, and whether the proposed activities are eligible for funding

Steps in the Process:

1. *Verify that the applicant meets the definition of a subrecipient/vendor.*
2. *Verify that the proposed activities are eligible for funding.*
3. *Assess the applicant's ability to carry out the activities.*
4. *Assess the quality of the applicant's proposal.*
5. *Perform a risk assessment of the applicant (utilizing valid SAM registration review).*
6. *Make a case-by-case determination for the agreement.*

The State may also impose additional terms and conditions on the award based on the results of the risk assessment.

Terms and Conditions of Awards

As a recipient of an award, the recipient must comply with the Uniform Guidance requirements that mandate the State to evaluate and minimize risk with respect to subrecipient selection and to manage and monitor each subaward to reasonably ensure that costs are allowable, awards are used for authorized purposes, and performance goals are achieved. Subawards must also be administered in compliance with applicable laws, regulations, and the provisions of the grant or contract agreement. In issuing a subaward, the WISS office assumes responsibility for the oversight of the recipient's programmatic and financial activities throughout the life of the subaward, including but not limited to the determination of subrecipient status versus contractor

status, assessment of the subrecipient's capacity to perform award responsibilities, and the subrecipient's compliance with award terms.

Monitoring Procedures

The State is responsible for oversight of the operations of the WIOA activities and must monitor the programmatic and financial activities under the Federal awards to ensure compliance with the applicable WIOA requirements. There are a variety of methods the State can use to oversee their subrecipients' or vendors' compliance and performance. Many of these tools are already part of the grant award and management process, while others are common (but not so obvious) actions that can be taken to effectively monitor subawards. As a pass-through entity, the State determines which one will work best for their subrecipients.

A summary of methods that may be used for monitoring subrecipient activities are as follows:

- ✓ *Review single audits*
- ✓ *Arrange for limited-scope audits*
- ✓ *Schedule site visits*
- ✓ *Review quarterly progress reports*
- ✓ *Require prior approval for certain activities*
- ✓ *Require third-party evaluations*
- ✓ *Provide technical assistance and training*
- ✓ *Follow subrecipient coverage in the news*
- ✓ *Interview or survey staff, board members, end-users, and other stakeholders*

The monitoring memorandum/report will:

- ✓ *Identify subrecipient information and the program being monitored.*
- ✓ *Identify dates of the monitoring review.*
- ✓ *Identify who conducted the monitoring review.*
- ✓ *Describe the monitoring activities and procedures used to collect information.*
- ✓ *Identify findings and references to applicable State and/or Federal requirements.*
- ✓ *Identify corrective action recommendations, when the corrective action plan is due, and where to send the corrective action plan.*
- ✓ *Describe program activities and eligible client population.*
- ✓ *Note monitoring staff observations in areas, such as, program strengths, weaknesses, and concerns, etc.*

Monitoring Corrective Action Plan and Follow-up

The subrecipient is responsible for submitting a corrective action plan, as required, that addresses each monitoring finding and for submitting supporting documentation. The subrecipient's plan should be submitted within the timeframe identified in the monitoring report. If the subrecipient does not agree with any of the monitoring findings or does not believe that corrective action is required, an explanation should be included.

A follow-up to the monitoring review may vary depending on the extent and severity of the findings, and how the corrective action process is managed. A follow-up may include communication with the subrecipient after the review of the corrective action, additional monitoring visits, and/or an unannounced visit.

Program Outcomes, Goals, and Deliverables:

Specific project outcomes, goals and deliverables must be included in any proposal(s). All applicants must work with the State to establish benchmarks and outcome targets for each project.

Project Reporting:

Successful applicants will be required to submit regular reports to document the progress of the project as part of the grant requirements. These reports include, but are not necessarily limited to, the following:

- Quarterly Progress Reports
- The agreed upon performance data as outlined in the original proposal
- Quarterly Budget Updates

Additional Requirements:

All applicants must be in compliance, or agree to comply, with the following Federal and State laws and related regulations in order to be considered for an award:

- [Workforce Innovation and Opportunity Act \(Public Law 113-128\)](#)
- Equal Employment Opportunity / Nondiscrimination Provision and will comply with the physical, programmatic and accessibility requirements
- Protection of Personally Identifiable Information
- [Jobs for Veteran Act \(Public Law 107-288\)](#)
- [Architectural Barriers Act of 1968 as amended \(42 U.S.C. 4151\)](#)
- [Drug-Free Workplace Act of 1988](#), (41 U.S.C. 702 et seq., and [2 CFR § 182](#))
- [Buy American Act \(41 U.S.C 10a\)](#)
- [Copeland "Anti-Kickback" Act \(18 U.S.C. 874 and 40 U.S.C. 276c\)](#)
- [Davis-Bacon Act, as amended \(40 U.S.C. 276a to a-7\)](#)
- [Contract Work Hours and Safety Standards Act \(40 U.S.C. 327-333\)](#)
- [Clean Air Act \(42 U.S.C. 7401 et seq.\)](#) and the [Federal Water Pollution Control Act \(33 U.S.C. 1251 et seq.\)](#) as amended
- [Byrd Anti-Lobbying Amendment \(31 U.S.C. 1352\)](#)
- Uniform Administrative Requirements found at [2 CFR Part 200](#) and the US Department of Labor Exceptions found at [2 CFR 2900](#)
- Applicable State of Nevada Laws
- State Workforce Innovation and Opportunity Act Policies

Appeals:

Applicants of special project funds may appeal award decisions, in writing, to WISS whose decision is final.

This process applies after the applicant's decision is issued. Subrecipients wishing to appeal WISS' denial must submit the appeal to the State within 30 days of the issuance of the denial notice. The appeal must be in writing and include a statement of the desire to appeal, specification of the program(s) in question, the reason(s) for the appeal (e.g., grounds), and the signature of the appropriate official or designated point of contact representing the subrecipient. An appeal should be addressed to the following:

Mail: Department of Employment, Training and Rehabilitation

Attn: Workforce Innovation Support Services (WISS)
500 E. Third St.
Carson City, NV 89713

The State will promptly notify the subrecipient of the appeal being received and when the State makes a final decision. After reviewing the appeal, the State will decide and notify the provider.

The State appeal process includes the opportunity for the appealing subrecipient to have a hearing with an impartial hearing officer. The hearing officer must provide written notice to the parties involved of the date, time, and location of the hearing at least 10 calendar days before the scheduled hearing. Both parties must have the opportunity to present oral and written testimony under oath; to call and question witnesses; to present oral and written arguments; to request documents relevant to the issues(s), and to be represented.

An impartial State appeal committee, chaired by the hearing officer, will review the appeal, make a preliminary decision, and notify the subrecipient. The committee may either uphold or reverse the decision by WISS. A final decision must be made within 60 days from receiving the subrecipient's initial state-appeal request.