

Commonwealth of Puerto Rico
Department of Labor and Human Resources
Human Resources and Occupational Development Council



Two Years of the Five Years State Plan
for Title I of the Workforce Investment Act

May 2005

Human Resources and Occupational Development Council
MCS Plaza Suite 200, 255 Ponce de Leon Ave.
San Juan, Puerto Rico 00919



COMMONWEALTH OF PUERTO RICO

ANÍBAL ACEVEDO VILÁ
GOVERNOR

May 16, 2005

Mr. Douglas Small
Regional Administrator
Employment and Training Administration
JFK Federal Building
Room E-350
Boston, MA 02203

Dear Mr. Small:

In accordance with the Planning Guidance and Instructions, I am herewith submitting the Commonwealth of Puerto Rico's **Two Years State Plan** for Title I of the **Workforce Investment Act of 1998** and **Wagner Peyser Act**. The Plan comprises the period from July 1, 2006 to June 30, 2007.

In addition to the original signed document, we are forwarding an electronic mail and a CD-ROM containing copy of the Plan.

We appreciate your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Anibal Acevedo Vilá".

Anibal Acevedo Vilá

Enclosures

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Process for Development of State Plan

The development of the WIA-Wagner Peyser Two Year Plan in Puerto Rico has converged with the Governor's proposed integration of the HRODC to the Economic Development and Commerce Department of Puerto Rico. Presently the WIA and Wagner Peyser services are organized under Department of Labor and Human Resources but under two different operational components. For this reason, the Plan is being conducted simultaneously to comply with the WIA-Wagner Peyser planning guidance instructions and the new organization under the Economic Development and Commerce Department.

The Planning process was developed in several stages as described below:

Identify key staff of the different components to be working on the Plan

- Department of Labor and Human Resources
- Human Resources and Occupational Development Council
- Wright to Work Administration
- Economic Development and Commerce Department
- Management and Budget Office

Interdepartmental Meetings

- Meetings with the Staff of the Economic Development and Commerce Department of Puerto Rico to define the integration strategies of the HRODC within the structure. This activity is currently under definition.
- Meetings with the Right to Work Administration for the integration of Wagner Peyser Act services in the One Stop System. This activity is also under definition.
- Meetings with the Puerto Rico Management and Budget Office to discuss merge of the different component.

Governors Involvement

– The Governor’s Economic Development Plan was provided by his office. This Plan includes among others:

- Establish Economic Development Priorities
- Strategies for development
- Geographic development plans
- Economic development plans and incentives by types of industry
- Labor force education and skill development priorities and strategies
- Plan for reducing duplication of services

State Board Collaboration

In December 2004, the State Board had completed and approved a modification of the original Five Year Strategic Plan containing revised strategic goals, objectives and priorities to serve jobs in demand and high growth occupations. Upon the publication and discussion of the Planning Guidance Instructions for the Two Year Plan, the Board decided to integrate the modification agreements in the two year plan.

State Plan Content

I. Describe the Governor's vision for a statewide workforce investment system. Provide a summary articulating the Governor's vision for utilizing the resources of the public workforce system in support of the State's economic development that address the issues and questions below. States are encouraged to attach more detailed documents to expand upon any aspect of the summary response if available. (§112(a) and (b) (4) (A-C).)

A. What are the State's economic development goals for attracting, retaining and growing business and industry within the State? (§112(a) and (b) (4) (A-C).)

On March 16, 2005, the newly elected Governor of Puerto Rico, Hon. Aníbal Acevedo Vilá, presented its budget and economic proposal before the House of Representatives of the Commonwealth of Puerto Rico. In his presentation, the Governor stated that the Island faces a serious structural budget deficit. One of the proposals presented by the Governor to address this situation was to reduce the government size through the consolidation of government agencies offering similar services. This strategy will also enable the reduction of bureaucratic and administrative costs.

The Governor initiative, consolidates the Human Resources and Occupational Development Council, (state administrator of WIA funds), and the Administration for Training of Future Entrepreneurs and Workers (both currently under the Puerto Rico Department of Labor and Human Resources), into the Puerto Rico Employment and Training Administration. This new administration will be under the Puerto Rico Department of Economic and Commercial Development (PRDECD). The relocation and integration of the entities respond to the Governor's vision to support and leverage economic development efforts and resources.

The mission, vision, and organization of the Department of Economic and Commercial Development of Puerto Rico are in accordance with the new strategies proposed under the WIA reauthorization as herein described.

Mission

Formulate, implement, and supervise public policy related to the economic development of Puerto Rico in the different entrepreneurial sectors. Promote the development of a stable and self-sustained private economy focused to the future, to the integration of a global economy and the development of economic regional blocks.

Legal Base

Act [No. 51 of August 4 1994](#), creates the Puerto Rico Department of Economic Development and Commerce, to which the following agencies will be ascribed for fiscal year 2005-2006: the Administration for Training of Future Entrepreneurs and Workers, the Human Resources and Occupational Development Council, and the Authority for the Redevelopment of the Roosevelt Roads Naval Station Premises.

This initiative is part of the process to reduce the government through the consolidation of functions. These efforts are targeted to improve services and efficiency of government activities. The programmatic and organizational structure of the Department will be revised for the consolidation of operations.

- B. Given that a skilled workforce is a key to the economic success of every business, what is the Governor's vision for maximizing and leveraging the broad array of Federal and State resources available for workforce investment flowing through the State's cabinet agencies and/or education agencies in order to ensure a skilled workforce for the State's business and industry (§112(a) and (b) (4) (A-C).)**

The agencies ascribed to the PRDECD ensure the maximum utilization and leveraging of economic development funds in accordance to the Governor's strategies and priorities. The agencies organized under the PRDECD are:

- Cooperative Development Administration
- Racetrack Comission Administration
- Land Administration

- Industrial Development Company
- Tourism Company
- Corporation for the Development of Science, Arts, and Cinematographic Industries of Puerto Rico
- Authority for the Redevelopment of the Roosevelt Roads Naval Station Premises

New Agencies transferred to the Department

Administration for Training of Future Entrepreneurs and Workers - has the responsibility for the human, technical, and vocational development for youth out of the formal educational system. The creation of small businesses and employment for this clientele and for dislocated workers for their integration to the labor force.

Human Resources and Occupational Development Council - Advices, coordinate and establish the public policy of the Workforce Development System, serves as fiscal agent of the System.

The Human Resources and Occupational Development Council and the Administration for Training of Future Entrepreneurs and Workers are organized under the PRDECD as a new agency, the Employment and Training Administration of Puerto Rico. The new organization brings together all the necessary components dedicated to promote economic development activities within the private sector of the Island, the United States and other countries.

The integration of the Human Resources and Occupational Development Council and the Administration for Training of Future Entrepreneurs and Workers to the Department of Economical and Commercial Development will create a synergetic effect for leveraging of funds through the budget assigned to each dependency fiscal year 2005-2006 as detailed below:

For fiscal 2006, the consolidated recommended budget to the Department is \$130,034,000. From this amount \$15,815,000 comes from the Joint Resolution of

the General Budget; \$1,500,000 from Special Allocations; \$1,535,000 from Special State funds; \$110,849,000 from Federal Funds; and \$335,000 from income generated by the Department.

The resources recommended to the PREDCD, will allow the implementation of public policy priorities for the stimulation of economic development, redirect services, and strengthen program performance. This budget will make feasible a sustainable economic development.

C. Given the continuously changing skill needs that business and industry have as a result of innovation and new technology, what is the Governor's vision for ensuring a continuum of education and training opportunities that support a skilled workforce? (§112(a) and (b) (4) (A-C).)

The Governor's vision to ensure continuum education and training to support a skilled workforce is summarize in the following elements:

- The Education sector representatives of the State Board promotes the curriculum revision within the public and private system for its upgrading to new technological changes of the industry.
- Develop alliances and partnerships between the private sector, the public educational system and the universities and community colleges to develop pilot projects directed to identify and provide alternatives for skill gaps.
- Special attention to incumbent workers in high growth industries to upgrade skills, ensures competitiveness through on the job training, and customizes training programs.

D. What is the Governor's vision for bringing together the key players in workforce development including business and industry, economic development, education, and the public workforce system to continuously identify the workforce challenges facing the State and to develop innovative strategies and solutions that effectively leverage resources to address those challenges (§112(b) (10).)

The Governors' vision for bringing together key players in workforce development covers an array of carefully delineated projects in his Economic

Development Plan. As summarized below, the strategic development projects of the Governor ensures the highest development possibilities for the workforce.

Economic Improvement for Everyone: Support for the Local Entrepreneur

The success of a sound economic plan relies on the full understanding of the present macroeconomic context, and the definition of strategies that increases our competitiveness, capital production, and job generation. The proposals presented in this program are based in three main economic growth strategies:

- 1- Support for the Local Entrepreneur - proposes multiple measures to assist the development of the Puerto Rican entrepreneur.
- 2- Promote the information economy and its supporting technology.
- 3- Multi-competent economy –full development our competitive advantages in each economic sector and geographic area responding to market realities.

Support for the Local Entrepreneur

Objective: In the coming years we will create 1,000 new local businesses and endow the small and intermediate business with the resources to assume a leading role in the economic expansion and job creation in Puerto Rico.

- We will create the capital risk fund “Key for your Business.”
- “Key for your Business” will directly invest seed money in incubators in need of funding to start operations.
- A 15% of government purchases and contracts will be awarded to small and intermediate Puerto Rican businesses.
- We will strengthen the Act for the Investment in the Puerto Rican Industry to include professional services and goods. Where applicable, a waiver shall be requested to purchase products or services from non Puerto Rican industries.

- We propose the creation of an Entrepreneurial Innovation Fund to promote programs and capabilities for college students in the Island in the development of successful business ventures.

“The Key to Your Business”

This strategic projects proposed by the Governor for the creation of small businesses. The Commerce and Exportation Company of Puerto Rico (under the PREDCD) is responsible for the development of the public policy to support the creation of new business ventures and the technical qualifications to new entrepreneurs and to develop the financial mechanisms for its feasibility. The initiative has an assigned budget of \$8.0 millions, of which \$4.0 are allocated to training and managerial skills development.

Puerto Rico: World Export Center

Objective: To duplicate in eight years the products and service exportation from \$50,000 millions to \$115,000 millions. Create more and better jobs and diversify the destination ports to increase 20% of our exportations to foreign countries. Special emphasis is placed on the world market opportunities to be opened after the ratification of the Trade Adjustment Act, which represents an economy of 13 trillion dollars and a population of over 800 million. In addition, exportations will be targeted to the Hispanic markets of the United States representing a population of over 37 millions, among them almost 4 million Puerto Ricans, with an acquisition power of over \$500 millions.

- Tele-exportations centers will be developed to provide legal, financial, and consulting services to any part of the world with special emphasis in government needs as a result of the ratification of the Trade Adjustment Act.
- Establishment of a scholarship program targeted to promote studies of Puerto Rican entrepreneurs in NAFTA (North America Free Trade Area) countries and vice versa.

Free Enterprise Zones (FEZ)

Objective: Use the fiscal autonomy on the Commonwealth of Puerto Rico as an incentive to restore the population and businesses in five traditional urban centers chosen for its development potential and state of physical deterioration.

- Enactment of a new exemption of all taxes of the gross income between \$500,000 and \$3,000,000 generated by new businesses with 50 employees or less in the FEZ.

The Economy of Information Impulse

R2D2: Development of Science and Technology

Objective: Maintain and increase our competitive advantages in manufacturing and exportation of pharmaceuticals and other high technology by-products in a front line sector of the economy.

- Investment of \$1,000 millions from public, private, and federal sources during the next four years in research and analysis.

Scientific Infrastructure: Setting the base for Progress

- Create the Puerto Rican Institute for the Development of Science and Technology, which will lead the investment and determine the public policy of the Commonwealth in relation to these subjects.
- We will build five “world class” specialized research centers in different public and private colleges of the Island. We have already identified the study of nanotechnology (University of Puerto Rico – Mayagüez Campus), biotechnology, bio-molecular science and food technology to be discussed with academic experts.

Human Infrastructure: Getting Ready for the Economy of Information

- Revision of science and math curriculum in the public school system

- Duplicate the number of science, english and math teachers in the public school system
- Establishment of research competitive grants opened to requests from any part of the world to support efforts of local scientists and investigations.
- Promote revision of science and technology curriculums at the graduate level to regulate the academy to the needs of the high technology industry of Puerto Rico.

Entrepreneurial Innovations

Support the establishment and expansion of technological clusters by matching public, academic, and public resources to enhance scientific activity.

Multi-competent Economy

Objective: Promote a diverse economy capable of supplying jobs for the entire population, which can easily adjust to abrupt changes in the global economy

Manufacture

- The Governor proposes tax incentive to local entrepreneurs for new business especially those dedicated to the use or production in high technology.
- Incentives to local entrepreneurs and workers for the acquisition of businesses in process of relocation out of the Island
- Development of financial mechanisms to large-scale manufacturing projects such as the ones developed by the pharmaceutical industry for the expansion of operations in Puerto Rico, providing the Commonwealth the necessary tools to attract foreign investment.

Professional Services, Finance, Insurance, and Real Estate

Support to the service sector, which is mainly local, in all government levels as one of the pillars on the new Puerto Rican economy.

Promote, together with the private sector, entrepreneurial investment qualifying for under the Community Reinvestment Act (CRA) using the funds from the Key for Your Business Program as guarantee for private funds.

Construction

- The construction activity is one of the main contributors to the Puerto Rican economy. The Governor proposes the completion of the Land Use Plans at the municipal levels to avoid controversy related to the development of construction projects.
- Establishment of Express Permits Centers through several municipalities of the Island to accelerate the evaluation and approval by the concerned agencies of construction projects.

Agriculture

- Develop Legislation and Public Policy in all government agencies to regulate that the acquisition of any agricultural product must be from local origin unless it is not available in the market.
- Continue with the promotion for the acquisition of Puerto Rican agricultural products by the largest buyer of the world (the federal government).
- Provide incentives to hotels and cruise ships for the acquisition of local agricultural products.
- Develop a marketing plan to sell our products in the U.S., the oriental Caribbean, and Europe.

- Continue and expand the construction of new and existing facilities to elaborate agro industrial products from the agricultural surplus.
- Increase facilities for the research of food production technology and agricultural biotechnology to develop new agricultural seeds.
- Continue with the promotion of the local agricultural industrialization providing the resources and equipment to competitively position this activity in the global market.
- Expansion of the agricultural vocational programs and promote agricultural education at the graduate level.

Tourism

As an Agency of the PREDCD, the Puerto Rico Tourism Company has the assignment to promote an ambitious plan pursuing to increment the inventory of tourist rooms, decentralization of tourist activity, and the diversification of the tourist product of the Island. The development of these plans will generate human resources demand to be train and assisted by leveraging of WIA funds.

- Construct or initiate construction of 5,000 new hotel bedrooms to expand the tourism capacity.
- Center the efforts of the Tourism Company of Puerto Rico to attract the international business market by promoting the new Convention Center District as an anchor.
- Improve the airports and transportation infrastructure of the Island to expand tourism services.
- Develop new attractions such as the Caribbean Theme Park, the Caribbean Aquarium, and Museum of Natural History to increase the tourism interest in Puerto Rico.

Commerce

- Support the expansion of retail trade in the Free Enterprise Zones and other traditional districts of the Island.

Cooperatives

- Small and intermediate size cooperatives will be included in the list of entities to be eligible for the exclusive designation of 15% of the government purchases and contracts.
- Part of the funds under the Program Key for Your Business will be set aside for the creation of new cooperatives with special emphasis in high technology, self-employment, housing, and health, as well as cooperative projects to save industries leaving the Island.
- Continue to promote and stimulate commercial retail cooperatives to compete effectively in the global economy.
- Cooperative education will be integrated in the public school system curriculum.

E. What is the Governor's vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training, including the youth most in need, such as out of school youth, homeless youth, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, migrant and seasonal farm worker youth, and other youth at risk? (§112 (b) (18) (A.))

Before the implementation of the Workforce Investment Act, the Commonwealth of Puerto Rico developed a structure through the Youth Affairs Advisory Council with the representation of the Secretaries of Labor, Education, Health, Social Services, Sports and Recreation, the Right to Employment Administration, and five members between the ages of 19 to 30 years. The purpose of this Council is to coordinate all services, projects, and programs related to the youth population. Afterward, the Council was empowered with the assignment to develop policies for prevention and rehabilitation of juvenile delinquency. The structure

developed for the implementation of the former School to Work Program, and the integration of academic and vocational education under Carl D. Perkins Act in the Department of Education, were significant accomplishments in the coordination of opportunities for skill attainment as a responsive transition to post-secondary education, additional training and the integration to the workforce.

The initiatives mentioned, allowed the integration of the educational and occupational trainings in Puerto Rico. The activities established under these activities facilitated the implementation of services addressed to youth services under the One Stop Center.

After extensive coordination and integration of resources among the different agencies, the services were structured through the creation of associations or consortiums. The result of these activities represents the most important achievement in the development of an integrated youth service system in Puerto Rico.

Through the implementation of WIA, new and comprehensive services to youth were added to the existing services. However, the State Plan proposes the development of innovative and aggressive strategies to identify, reach, and to assist out of school youth, high risk and hard to serve population such as gang members, alcoholics, and potential alcoholics, homeless, runaway youth, offenders, and prostitution. To said effects, through the members of the State Board, the HRODC will coordinate with Administration of Youth Affairs, Department of the Family, Corrections and Rehabilitation Department, Office of Youth Affairs, and other community entities dealing with our target population, to develop an Action Plan with a common vision allowing the implementation of effective multi-sectoral strategies for youth population. Our goal is to serve as an instrument to facilitate to our youth educational opportunities and high growth job opportunities. In addition, we will integrate Faith Base Organizations established in Puerto Rico to the services provided at the One Stop Center.

II. Identify the Governor’s key workforce investment priorities for the State’s public workforce system and how each will lead to actualizing the Governor’s vision for workforce and economic development. (§§111(d) (2) and 112 (a).)

Strategies

Maximize our fiscal autonomy

The Commonwealth of Puerto Rico has the legal and fiscal tools for granting tax incentives to promote investment of local and foreign capital encouraging the creation of new jobs. Over 20 legislative incentives pieces have been approved, contributing to the creation of new jobs. Its results are positive and are being evaluated by the Secretary of Economic Development and Commerce. These laws are targeted to strengthen the development of the manufacturing, tourism, commerce, construction, housing, cooperatives, and agricultural sectors. New federal incentives are impelled to stimulate the competitiveness of Puerto Rico as investment destiny.

Lower the cost of making business in Puerto Rico.

To assure our capacity to compete with other regions or countries, public policy was approved to reduce the cost of making businesses and simultaneously, protect labor agreements and the environment. Strategies were developed to reduce or to stabilize the energy costs, which include the implementation of a protection mechanism to price fluctuations (hedging) of products derived from petroleum, the direct petroleum purchase from country to country, and reduction of the operational costs of the Authority; (these saving will be transmitted to the clients). Also in its final stage is the approval of a new regulation offering a reduced charge of energy consumption for new or expanding industries.

To decentralize the public investment through Geographic Poles Development

Public policy was developed to ensure the equitable and balanced distribution of the public investment through all the geographic sectors of the Island. The projects announced for the Governors’ first term are the Eastern, Western, Mountain, Southern, and Northern Poles, representing a public and private investment of \$8.8

trillions in infrastructure, housing, and tourism and the generation of approximately 127,000 jobs. From over 2,000 public projects, more 800 are already in progress equivalent to an investment of \$3.5 trillions.

Rehabilitation of the urban centers in the municipalities of Puerto Rico

In order to repopulate the Urban Centers, promote the commerce and investment in housing and infrastructure, its rehabilitation as public policy was approved. The project begins in 18 municipalities. The approximate investment is \$165.5 million in 80 rehabilitation projects generating 2,590 jobs in the construction stage.

Establishment of high technology conglomerates or “clusters.”

A "cluster" is an interrelated conglomerate of companies, including, from technological research to storage and distribution, where the private sector join efforts with the government and the academic sector to promote the establishment of low, intermediate and high technology. In addition, the Law (# 145) of Pioneering Industries was approved to offers tax benefits to innovative technology companies requiring employees with a high level of scientific, technological, and managerial skills. Five conglomerates have been established: medical pharmaceuticals, biotechnology, instruments, communication and technological information, and health services.

Refocus the Cooperative Movement.

The cooperative movement is custodian of almost 5,000 million dollars and is a real alternative for the job creation. Public policy was implemented to reduce the ties of the movement in order to compete effectively as a financial entity; most of all, to direct its assets towards manufacture and services cooperatives, among others. The cooperative organization is aggressively promoted as a feasible alternative to rescue jobs before the closing of factories, simultaneously promoting the creation of new companies and Puerto Rican entrepreneurs.

Endorsement to the strategic projects of impact to the economy.

The strategic projects are those initiatives that qualitatively advance the attainment of the long and medium economic and social development objectives of the Island: Port of the Americas, Convention Center, Condado Duo, Poles of Development, Water for All, Santurce Renovation Project, Dredging of the Sewer of Martín Channel, Rehabilitation of the Urban Centers, Key for Your Business, Project 1600 (renovation of physical structures of public schools), the East Corridor and the Techno-economic Corridor.

Vision for Puerto Rico 2025

Puerto Rico needs a long-term economic and social development vision to maintain its competitiveness in a global economy, with more integrated markets and new competitors. Simultaneously, it is required to establish concrete and measurable objectives to direct our efforts for the next twenty years. This vision will be the result of a collaborative process and will provide an integral approach to a balanced and sustainable economic and social development. This project consists of 4 principles:

- Integration of social and human values in the economic development
- Definition of specific revenue objectives
- Incorporation diverse perspectives in the development of the vision
- Shared responsibility of all the sectors in its implementation

Puerto Rico 2025 tries to delineate the objectives and strategies to direct our country and the required public policies needed in order to attain our goals.

III. State Governance Structure (§112(b) (8) (A).)

A. Organization of State agencies in relation to the Governor:

1. **Provide an organizational chart that delineates the relationship to the Governor of the agencies involved in the public workforce investment system, including education and economic development and the required and optional One-Stop partner programs managed by each agency.**

On March 16, 2005, the newly elected Governor of Puerto Rico, Hon. Anibal Acevedo Vilá, presented its budget and economic proposal before the House of Representatives of the Commonwealth of Puerto Rico. In his presentation, the Governor stated that the Island faces a serious structural budget deficit. One of the proposals presented by the Governor to address this situation was to reduce the government size through the consolidation of government agencies offering similar services.

The Governor initiative, consolidates the Human Resources and Occupational Development Council, (state administrator of WIA funds), and the Administration for Training of Future Entrepreneurs and Workers (both currently under the Puerto Rico Department of Labor and Human Resources), into the Puerto Rico Employment and Training Administration. This new administration would be a component under the Puerto Rico Department of Economic and Commercial Development (PRDECD). At this moment, the organizational structure is being defined. The final organizational structure will be submitted once finalized.

2. **In a narrative, describe how the agencies involved in the public workforce investment system interrelate on workforce and economic development issues and the respective lines of authority.**

See Section III (A)(1)

B. State Workforce Investment Board (§112(b) (1)).

1. Describe the organization and Structure of the State Board. (§111).

Section 111 of the Workforce Investment Act (WIA) requires the establishment of a State Workforce Investment Board. The business, educational, labor organization, municipal government and the economic development sectors, the House of Representative, Senate, and required partners must be represented in this State Board. The officers are the President, Vice-President, and Secretary.

On April 2001, a list of suitable candidates representing the different sectors as required by WIA was prepared and submitted to the Governor's Office of Nominations. The members of the State Board were appointed by the Governor in order to represent the different sectors required by WIA. The Presidents of the Senate and House of Representatives appoints the members of each legislative body to be part of the State Board.

The HRODC is the administrative and operational entity that would carry out the functions, duties, and responsibilities of the State Board. The administrative office of the State Board is located at the HRODC facilities. This office would have a Special Assistant and an Administrative Assistant. An internal regulation was prepared and approved unanimously by the State Board.

The State Board and the fifteen (15) local workforce investment areas were constituted according to the requirements of the Workforce Investment Act. The participant of the private sector was prompted in the processes entailing WIA. The State Board complies with the establishment of public policies and with the integration of the private and government sectors.

In accordance to Section 111 and 112 of WIA, the State Board fulfills their duties and responsibilities through the following work committees.

- **Planning and Budget Committee:** Their responsibilities entail recommending public policies and prioritizing services and occupations

that are in demand. In addition, develop comprehensive State performance measure and basic criteria and recommend the implementation of the required procedures regarding training services for adult, dislocated workers and youth.

- **Private Sector Liaison Committee:** Develop links with employers at the State Level and promote their participation in State Board activities.
- **Monitoring and Evaluation Committee:** Continue with their functions of monitoring, evaluating and providing following-up on WIA services and activities in order to ensure compliance with the established goals of the State Plan.
- **Executive Committee:** Has the responsibility of the internal administration of the State Board.
- **Special Committee (Ad Hoc):** Concerning issues that could surface in discharging responsibilities pertaining to the State Board as an entity:
 - Budget Allotment Committee
 - Annual Report Committee

2. Identify the organizations or entities represented on the State Board. If you are using an alternative entity which does not contain all the members required under section 111(b)(1), describe how each of the entities required under this section will be involved in planning and implementing the State's workforce investment system as envisioned in WIA. How is the alternative entity achieving the State's WIA goals? (§111(a-c), 111(e), and 112(b) (1).)

See the following Table.

Composition of State Workforce Investment Board

Private Sector

Name	Position/Company
1. Mr. Alfonso L. Dávila Silva President	Executive Vice-president Ana G. Méndez University System
2. Celia Cintrón, PhD. Vice-president	Human Development Consultant
3. Mr. Jorge M. Cañellas Fidalgo, Esq. President Monitoring and Evaluation Committee	Tax Partner Ernst & Young LLP
4. Mr. José Joaquín Villamil President Planning and Budget Committee	President Estudios Técnicos, Inc.
5. Jorge González Monclova, PhD. President Private Sector Liaison Committee	Director Community Relations Pfizer Laboratories
6. Mr. Emilio Torres Hernández	President Maridel Inc.,
7. Mr. Edgardo Rubén Martínez	Executive Vice-president National Life Insurance Co.
8. Mr. Néstor Ruiz Colón	President Board of Directors Puerto Rico Hotel Industry
9. Mr. Miguel A. Casellas	President Casellas & Company, Inc.
10. Eng. Rafael A. Hernandez Molina	Vice-president Constructora Santiago
11. Mr. Edgardo Rodríguez	Plant Manager Pepsi Américas
12. Pedro J. Vivoni-Alcaráz, Agronomist	President Agro Servicios, Inc.
13. Mr. Rolando Ávila Pérez	President Ensyra Products
14. Mr. Manuel Cidre Miranda	President Los Cidrines
15. Juan Hernández Serrano, PhD.	Vice-president Human Resources Empresas Cordero Badillo
16. Mrs. Patricia Eaves	Vice-president Sprint
17. Francisco J. Colón Pagán, Esq.	Principal Colón, Colón & Martínez, P.S.C
18. Mr. Carlos Fernández Cintrón	President Cooperativa de Seguros de Vida de PR., COSVI
19. Mr. Omar M. Contreras Gómez	Senior Vice President & Director Corporate Banking Division Banco Santander Puerto Rico
20. Mr. Alberto Bacó Bagué	President Marvel Specialties, Inc.

Local Government Sector

Name	Position/Company
21. Hon. Carlos Delgado Altieri	Mayor Municipality of Isabela
22. Hon. Francisco López López	Mayor Municipality of Barranquitas

Community Base Sector

Name	Position/Company
23. Mrs. Julia Milagros García	First President Hogares Crea, Inc.

Labor Union Sector

Name	Position/Company
24. Mrs. Luisa Acevedo Secretary	President Central Workers Federation
25. Mrs. Carmen M. López Sabater	President State Insurance Fund Worker's Union

House of Representatives of Puerto Rico

Name	Position/Company
26. Hon. Rolando Crespo Arroyo	Commissioner House of Representatives
27. Hon. Carlos Méndez Nuñez	Commissioner House of Representatives

Senate of Puerto Rico

Name	Position/Company
28. Hon. Lucy Arce	Senator Senate of Puerto Rico
29. Hon. José Garriga Picó	Senator Senate of Puerto Rico

Education Sector

Name	Position/Company
30. José Jaime Rivera, PhD.	President Sacred Heart University

Economic Development Sector

Name	Position/Company
31. Hon. Jorge P. Silva Puras	Secretary Puerto Rico Economic Development and Commerce Department

Mandatory Partners

Name	Position/Company
32. Hon. Román Velasco González	Secretary Puerto Rico Labor Department
33. Hon. Jorge Rivera Jiménez	Secretary Puerto Rico Housing Department
34. Hon. Gloria Baquero Lleras	Secretary Puerto Rico Department of Education
35. Hon. Yolanda Zayas	Secretary Puerto Rico Family Department
36. Mrs. María del C. Fuentes	Administrator Right to Work Administration
37. Mr. Eduardo Vergara	Administrator Administration for Training of Future Entrepreneurs and Workers
38. Mr. José O. Rolón	Administrator Vocational Rehabilitation Administration
39. Mrs. Brenda J. Sepúlveda Lugo	Executive Director Human Resources and Occupational Development Council
40. Miss. Lourdes E. Ríos Muñiz	Executive Director Office of Youth Affairs
41. Miss. Rossana López	Executive Director Office of Elderly Affairs

- 3. Describe the process your State used to identify your State board members. How did you select board members, including business representatives, who have optimum policy-making authority and who represent diverse regions of the State as required under WIA? (20CFR 661.200).)**

The WIA task force created by the Governor had the assignment to comply with and recommend, in accordance with the Act, the members of the State Board. The task force identified the candidates within the government and private sectors stakeholders, who can readily assist the State Board in meeting the required statutes, negotiate local performance standards based on their knowledge of the employment and training structure of the Island.

The private sector representation within the state board will enhance WIA's principles by providing public knowledge and experience in the strict public private collaboration needed in today's economy. Furthermore, labor organizations will be able to strengthen their ties with employees and partners as participants in policy guidance positions within the Board.

Government officials, CEOs and Executive Directors of the private sector, members of the Puerto Rico Legislature and representatives of Local CBOs, participated in several WIA information meetings, and expressed their interest to become Board members. In addition, and as the State Plan establishes, all required partners were consulted for their recommendations as to members from the local business community.

Also, the Board consulted business, labor, educational and community organizations to feedback and recommendations in relation to the plan implementation. Some consulted organizations were the Puerto Rico Chambers of Commerce, Puerto Rico Industrialist Association, Puerto Rico Federation of Labor, and community colleges, among others. Once the potential candidates were evaluated and selected, they were referred for the Governor's confirmation.

4. Describe how the board's membership enables you to achieve your vision described above. (§§111(a-c) and 112(b) (1).)

The board's membership enables the Governor to achieve his economic development vision, because they represent an interdisciplinary approach to the developers and main protagonist of any economic venture, the human resources. The Board assembles the vision, needs, problems, and opportunities of industry, academic sector, and workforce and community initiatives. This representation allows the WIA funds investments in an industry-driven, and demand driven approach.

In addition, the Board oversight and monitoring over local areas and WIA grants, assures the effective implementation of the Act.

5. Describe how the Board carries out its functions as required in sec. 111 (d) and 20 CFR 661.205. Include functions the Board has assumed that are in addition to those required. Identify any functions required in sec. 111 (d) the Board does not perform and explain why.

Within the general functions, the State Board assists the Governors in the following:

- Development of the State Plan
- Development of public policies and continuous improvement of a statewide workforce investment system.
- Development of the formula and distribution of formula funds for training and employment activities for adults, dislocated workers and youth within the local areas.
- Development and continuous improvement of comprehensive statewide performance measures, including the Commonwealth of P.R. adjusted levels of performance needed to assess the effectiveness of the state level system.
- Advice the Governor on the designation of local areas as required in section 116 of WIA.
- Annual review on the measures taken pursuant to Section 113 (b) (14) of the Carl D. Perkins Vocational and Applied Technology Education Act.
- Prepare the annual report and submit it to the Secretary of Labor in accordance to Section 136 (d).
- The activities developed in the State Board have achieved the efficient implementation of WIA in the Island complying with the fiscal processes and requirements through effective investment of funds. We highlight the following accomplishment:
- The State Board evaluated the budget allocation for each program year.

- The State Board evaluate the amendments of the Strategic Plan and the State Board's Planning and Evaluation Committee considered and recommend its approval.
- The following programs were evaluated by the Board and they were innovative projects which impacted adults, dislocated workers and youth program: Credential Programs for Clusters in the Pharmaceutical and Agricultural Industries and the Business and Occupational Development Census.
- The Monitoring and Evaluation Committee evaluated and provided recommendations regarding the fiscal situation of the local areas.
- The Planning and Budget Committee established public policies identifying priority of services to be provided and occupations in demand, which are developed within the framework of the State Plan.
- The State Board approved the following regulations and procedures:
 - o Procedures for Determining the Initial and Subsequent Eligibility of Providers of Training Services
 - o Monitoring Procedures
 - o Administrative Memorandum
 - o Work Plan for the Private Sector Liaison Unit
 - o Work Plan for the Public Policy Unit
 - o Work Plan for the Executive Committee
- Performance measures were negotiated with USDOL

- Administrative Memorandum revisions regarding recertification of Local Board was effectively carried out between the State Board and Local Area Boards.
- A resolution regarding WIA Reauthorization was submitted to USDOL and the Resident Commissioner in Washington.

6. How will the State board ensure that the public (including people with disabilities) has access to board meetings and information regarding State board activities, including membership and meeting minutes? (20 CFR 661.205)

Pursuant to Section 111 (g) of WIA, the State Board meetings would be open to the public and access would be provided regarding information on State Board activities including information on the State Plan, composition, and minutes of meetings requested by interested parties. The State Board holds their meetings on a quarterly base by an edict convoking such meeting. The notification is sent with 5 days in anticipation to the members by e-mail, fax, or by telephone call.

Through public announcement such as billboards, web-page, radio, teleconference, press communication, television (cable TV) and One Stop Centers, public access to the State Board meetings will be ensure.

In addition, through the Information Bulletin **CDORH Reports**, the State Board publishes different articles regarding the activities realized by the Committees and the Board itself.

7. Identify the circumstances that constitute a conflict of interest for any State or local workforce investment board member or the entity that she/he represents, and any matter that would provide a financial benefit to that member or his or her immediate family. (§§111(f), 112(b) (13), and 117(g).)

In order to ensure in the workforce investment system, the following constitute conflict of interest for the State or local Workforce Investments Boards:

- No member of any council authorized under WIA shall cast a vote on the provision of services by that member, or any organization, which that member directly represents, or vote on any matter which would provide direct financial benefit to that member or the immediate family of such member.
- Each local grant recipient and WIB shall maintain a written code of standards of conduct governing the performance of persons engaged in the award and administration of contracts and grants. To the extent permitted by local law or regulation, such standard of conduct should provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the awarding agency's officers, employees, or agents, or by awardees or their agents.
- Each grant recipient and WIB shall ensure that no individual in a decision-making capacity will engage in any activity, including participation in the selection, award, or administration of a grant or contract supported by WIA funds, if a conflict of interest, real or apparent, would be involved.
- A conflict of interest will arise whenever a firm or organization is selected for an award and there is a financial or other interest in the firm or organization by the individual, the individual to partner, or an organization which employs, or is about to employ, any of the above.
- The officers, employees or representatives of the agency and WIB members making the award will neither solicit nor accept gratuities, favors, or anything of monetary value from awardees, potential awardees, or parties to agreements.
- The term "immediate family", for conflict of interest, means an employee's spouse, child, legal ward, grandchild, foster, father, mother, legal guardian, grandfather, grandmother, father in law,

mother-in-law, and other relatives residing in the employee's household.

Conduct of government officials represented in the state and local boards must be in accordance with the State's Ethic Law for Public Officials.

8. What resources does the State provide the board to carry out its functions, i.e., staff, funding, etc.?

The HRODC is the administrative and operational entity that would carry out the functions, duties, and responsibilities of the State Board. The administrative office of the State Board is located at the HRODC facilities. This office would have a Special Assistant and an Administrative Assistant. An internal regulation was prepared and approved unanimously by the State Board.

C. Structure/Process for State agencies and State board to collaborate and communicate with each other and with the local workforce investment system (§112(b) (8) (A).)

1. Describe the steps the State will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in section 112(b)(8)(A), at both the State and local level (e.g., joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State board and agencies eliminate any existing State-level barriers to coordination? (§§111(d) (2) and 112(b) (8) (A).)

In order for the State Board to maintain proactive, it is important to utilize innovative strategies as a resource tool that would be enriching and assist in providing guidance and policies in maintaining a competitive economy. Through conventions, seminars, conferences and participation in committee in and out of Puerto Rico, the State Board ensures their work committee's effectiveness in developing their functions.

The State Board will promulgate the mission of the HRODC in the general community by coordinating seminars, convention, and conferences. Some examples of these activities were:

- The State Board coordinated a forum with the theme: *Workforce Development.... Vision of the Future*. The Forum was about strategic planning and occupation in demand in accordance to demographics, science and technological tendencies and to use them as reference and integrate them in the State Board Strategic Plan.
- Members of the Private Sector Liaison Committee participated in a panel for the Third WIA Congress.
- A presentation on the Credential Project for the Pharmaceutical Industry for the Fourth WIA Congress.
- The Private Sector Liaison Committee developed collaboration linkages with employers at the state level and promoted their participation.
- Round table initiatives were carried out with businessmen from the Private Sector through the Caguas, Humacao and Mayagüez regions of the Industrial Association
- The concept of a pilot project regarding the Credential and Certification Program for Clusters was developed.

2. Describe the lines of communication established by the Governor to ensure open and effective sharing of information among the State agencies responsible for implementing the vision for the public workforce system and between the State agencies and the State Workforce Investment Board.

Puerto Rico implemented an on-line information system called the Government Statistical System that is administered by the Office of Management and Budget. All government agencies are connected to this system and the statistical information generated by the agencies is periodically updated.

The HRODC developed an Internet web page (www.boriquen.com/cdorh01) presenting information such as changes in legislation, state and local areas

statistical reports, labor related seminars and activities, and other information related to the WIA system. The page can be access by the public. In addition, the WIA Client administration System (WIA-SAC for its Spanish Acronym) was developed in a joint effort of the HRODC and the Local Areas. All the areas are connected to the system and it produces information for the development of the Performance Measures Report and information about the client served. Customized reports can be developed by the system.

The HRODC also has established a uniform accounting system based upon the MIP Advantage Accounting Program by Best Software. Through this program, the HRODC implemented a standard chart of accounts for all local areas, which compiles with the WIA services categories. In addition, uniform reporting set-ups were created and technical assistance and training was provided for the users of the system.

The HRODC, together with the Local Areas, developed an on-line State Service Providers List. This program can de access through Internet by service providers to include their program offerings and by the participants to choose educational and training alternatives. The system also offers information and reports related to service providers' performance and success rates.

3. Describe the lines of communication and mechanisms established by the Governor to ensure timely and effective sharing of information between the State agencies/State Board and local workforce investment areas and local Boards. Include types of regularly issued guidance and how Federal guidance is disseminated to local Boards and One-Stop Career Centers. (§112(b) (1).)

The Public Policy Unit under the Legal Area of the HRODC is responsible for the dissemination of all guidance and procedures issued by the Employment and Training Administration (ETA) such as TEGL and TEIN; and the Federal Office of Management and Budget (OMB) to the Local Areas and all WIA sub-recipients. Once new guidance or information is received, the HRODC develops an Administrative Memorandum addressed to the Local Areas, Local

Boards and to Chief Elected Officials Boards. In addition, copy of the original communications is included with the Administrative Memorandum.

Another procedure used for the dissemination of information is the Executive Directors, Mayors, and Board Presidents' meetings. These meetings are held quarterly at the HRODC and new information, guidance, and/or changes are discussed. When regulations or changes are related to Performance Measures, Information Specialists from the HRODC visits each one of the 15 Local Areas and provides technical assistance in compliance with new guidelines.

4. **Describe any cross-cutting organizations or bodies at the State level designed to guide and inform an integrated vision for serving youth in the State within the context of workforce investment, social services, juvenile justice, and education. Describe the membership of such bodies and the functions and responsibilities in establishing priorities and services for youth? How is the State promoting a collaborative cross-agency approach for both policy development and service delivery at the local level for youth? (§112(b) (18) (A).)**

Within the WIA system, at the state level and during the certifications of the local boards, the responsibilities of the Youth Council are established. It is the responsibility of the Youth Council to coordinate youth activities, develop portions of the local plan related to eligible youth, establish contact with educational agencies and other youth entities in order to provide better services to the this population. Through the Youth Programs, local areas will recommend strategies and develop programs to attend youth in and out of school.

The State Board developed the Credential Project for Clusters geared to the Pharmaceutical Manufacturer where 51 individual benefited from the program and obtained a Certification as an Operator of the Pharmaceutical Manufacturer by enrolling in the short-term course. Through projects such as *Juveempleo* the Board was able to integrate vocational education and the university in order to provide university students their first work experience needed to obtain employment. The Puerto Rico Department of Education's project *Strategies to*

Facilitate Access through the Local Web regarding Statistic on Occupations in Demand was developed with the purpose of assisting local areas regarding employment demands, vocational and technical education programs and obtainment of GED.

Linkages were developed with the private sector, academia and the local areas through projects focused on capacitating ex-offender and juvenile delinquents in entering the labor market and fostering employability. The HRODC and the Board coordinated through the Youth Affair Office, the project *Expo-Empleo Juvenile* for university student in order to provide them a paid professional work experience in their last year as students.

IV. Economic and Labor Market Analysis (§112(b) (4).): As a foundation for this strategic plan and to inform the strategic investments and strategies that flow from this plan, provide a detailed analysis of the State’s economy, the labor pool, and the labor market context. Elements of the analysis should include the following:

Puerto Rico Demographic Features

- According to the United States census, the population of Puerto Rico for year 2000 is estimated in 3.80 millions. The gender composition for this population is 1.83 millions males and 1.97 millions females.
- Population 18 years or less constitutes 28.7% of the total for the Island, whereas 60% is between the ages of 18 to 64 years, ages in which the people are most productive in the workforce. From this group, 39% is between 18 to 44 years. The median age in Puerto Rico for 2000, is of 32 years. The elderly groups of over 64 years represent 11.2% of the total population.

Table 1

**Population Comparison by Age
Census 1970-2000
Source: Puerto Rico Planning Board**

Demographic Feature	Census 1970	Census 1980	Census 1990	Census 2000
	Population			
Total Population	2,712,033	3,196,520	3,552,037	3,808,610
Male	1,329,949	1,556,727	1,705,642	1,833,577
Female	1,382,084	1,639,793	1,816,395	1,975,033
Median Age (years)	21.5	24.6	28.5	32.1
Under 18 Years	1,174,674	1,220,999	1,154,527	1,092,101
65 Years and Over	177,077	252,569	340,884	425,137

- The demographic composition for Puerto Rico shows an increasing trend in the population age during the last three decades as show in Table 1. This trend indicates an aging population with special needs. The government of Puerto Rico, through the agencies and institutions assisting this population, designs and implement the necessary alternatives to address the needs of this population.

Income and poverty levels for Puerto Rico

- Income data from the 2000 Census shows the median income for households in \$14,412 for year 1999, while for families was \$16,543. These figures are the lowest for all the United States.
- In the same period, per capita income for the Island was of \$8,185. This is equivalent to the half of the per capita income of Mississippi, the lowest in the continental United States, and three (3) times lower than New Jersey, with the highest per capita in the continental U.S.
- Median income for full time year-round workers was \$17,098 for males and \$15,698 for females.
- The 2000 Census identified that 48.2% of Island population was below poverty level. The percent of families whose income was below poverty level was 44%; meanwhile the rate of related children under 18 years below poverty level was 58.3 percent.

Educational Data

- The 2000 Census shows that the population 18 years and over for Puerto Rico is estimated at 2.7 millions. Of this amount, 1,675,778 or 62% has an over high school educational level.
- Table 2, Educational Attainments for Population 18 Years and Over, illustrates details of the population by educational level where:
 - 38% of the population 18 years and over have less than a high school education. Among this population, 59% have less than a ninth grade education.
 - Of the population with less than a ninth grade education, 75% are 45 years and over, while the population of 18 to 45 years, with less than ninth grade education was 25 percent.

- In the group with an educational level of less than high school education, 44% correspond to the ages of 45 and over.
- It necessary to depict that the populations with less than high school education, 56% correspond to the group of 18 to 44 years, which are the most productive ages of the workforce.

Table 2

**Educational Attainments
for Population 18 Years and Over**

Subject	Male	Female	Total
<i>Total:</i>	1,274,128	1,445,050	2,719,178
Less than 9 th grade	291,949	324,182	616,131
9 th to 12 th grade, no diploma	223,662	203,607	427,269
High school graduate (includes equivalency)	311,150	309,983	621,133
Some college, no degree	191,683	220,611	412,294
Associate degree	75,598	118,968	194,566
Bachelor's degree	127,544	210,472	338,016
Graduate or professional degree	52,542	57,227	109,769
Source: US Census 2000			

- Population with an educational level of some college but without a degree is estimated in 412,294, equivalent to 15% of persons 18 years and over.
- In Puerto Rico 25% of persons 18 years and over have completed an Associate, Bachelor's, Graduate or Professional Degree. From this group, 338,016 persons have a Bachelor Degree, representing 53% of postsecondary educational group.

Youth School Enrollments

- *Table 3* shows the statistics of student's enrollment by level in the public and private educational systems in Puerto Rico.
- The most recent information provided by the Puerto Rico Department of Education corresponds to school years 2001-02. During this period, there were 875,780

students enrolled from the elementary to high school levels in both systems. Public educational system had 69% of total enrollment.

- For the three years available, an increase of 2% in total enrollment is shown for year 2000/01 and 8% for year 2001/02.

Table 3

**Public and Private School Enrollment
Puerto Rico Department of Education**

Total Enrolled	1999/00		2000/01		2001/02	
	Public	Private	Public	Private	Public	Private
	613,019	182,974	612,725	196,740	604,093	271,687
Elementary	345,467	23,004	342,606	10,813	334,949	16,196
Secondary (7-9)	142,973	77,995	145,858	98,491	146,716	147,601
High School	118,304	30,063	119,162	30,333	117,228	45,596
Post Secondary	6,275	51,912	5,099	57,103	5,200	62,294
High School Graduated	30,856	NA	NA	NA	NA	2,810

NA- Not Available

- Enrollment presents a tendency to increase in the private system and to decrease in the public system. In 2001/02, the public system decreased its total enrollment by 1%, whereas the private system reflected an increase in the enrollment of 28%.
- School dropout data available are presented for school years 1997 to 2001. In the 2001, 2,554 youth left school; a net reduction of 686 in relation to year 2000. Nevertheless, dropout rate during those four years is less than 1% per year.

Labor Force Analysis

- The labor force includes all persons classified as employed or unemployed, who are actively seeking for employment or would consider changing their jobs for the right employment opportunity.
- About 37% of the total population (or 1.42 millions individuals) are considered as the labor force.

- Civilian population over 16 years for Puerto Rico is estimated at 3,004,000 persons of whom 1,420,000 compose the labor force. Participation rate in labor force is 47.1 percent.

Women Participation in Labor Force

- Women in Puerto Rico have incurred in non-traditional sectors of the economy, increasing their participation in the labor force in the last three decades.
- The participation rate of women in the labor force for year 2000 was 44 percent of the total available for work. However, they only constitute 43% of the employed population. The unemployment rate for women was 21.3 percent, 11% over the Islands' unemployment rate.
- The distribution by age of employed women for year 2000 is:
 - a. 77% between the ages of 25 to 54 years
 - b. 12% between the ages of 20 to 24 years
 - c. 2% was 20 years or less
 - d. 9% of employed women were 54 years or older
- Participation of women by industrial group presents the following data:
 - a. The areas of Services and Public Administration represent the activities with more female participation with 30% in each category.
 - b. In the commerce area, the participation is 21%.
 - c. 14% in the manufacturing labor area
 - d. 5% work in Finance and Insurance

Youth in Labor Force

- The 2000 Census of Population estimates 1,520,995 youth between the ages of 1 to 25 years. The gender distribution is 51% male and 49% female.
- The youth group between 15 to 25 years is 614,627 individuals, of which 50.3% are male.

Table 4

Youth Education and Employment Year 2000

Subject	Youth
Youth 16-24	553,805
Employed civilian	134,690
Unemployed	77,192
Not in labor force	341,923
Enrolled in college or graduate school	147,738
Enrolled in school	162,707
Not enrolled in school	31,478
High school graduate	8,823
Not high school graduate	22,655
Source: US Census 2000	

- Table 4 estimate youth population between ages 16 to 24 is 553,805 according to the 2000 U.S. Census. Employment rate for this category is estimated in 134,690 or 24%, and unemployment rate in 14% or 77,192 persons.
- Youth not in the labor force is an estimated 341,923, of which 147,738 are in colleges or universities, 162,707 in secondary schools, and 31,478 do not report any educational activity.
- It is significant that 22,655 young persons between 16 and 24 years of age are not in the labor force and has not completed high school. **This must be one of the target groups for investment of WIA funds in training and services.**

A. What is the current makeup of the State’s economic base by industry?

1. The Puerto Rico labor market analysis is presented in accordance to the statistics of the United States Bureau of Labor Statistics and do not include farm workers.
2. The labor pool in Puerto Rico is composed mainly by 70% in jobs generated by the private sector and 30% by the federal, state, and local government.
3. As previously mentioned, the workforce in Puerto Rico has increased by 16% during the last 15 years. This tendency is consistent in both, the private and public sector.

Table 5

**Puerto Rico Workforce Composition
United States Bureau of Labor Statistics
(Annual in Thousands)**

Year	1990	1995	2000	2004	Δ% Average	Δ% Net
All employees Non-farm	843.8	927.3	1,022.90	1,008.80		
Δ%		0.09	0.09	-0.01	0.06	0.16
Government	294.6	304.6	286.2	308.2		
Δ%		0.03	-0.06	0.07	0.01	0.04
Private	549.2	622.7	736.7	700.5		
Δ%		0.12	0.15	-0.05	0.07	0.22
Good Producing	204.9	209.4	219.2	183.45		
Δ%		0.02	0.04	-0.19	-0.04	-0.12
Service Providing	638.9	717.9	803.7	825.3		
Δ%		0.11	0.11	0.03	0.08	0.23
Natural Resource and Mining	1	1	1.5	1.2		
Δ%		0.00	0.33	-0.25	0.03	0.17
Construction	45.2	49.4	75	67.3		
Δ %		0.09	0.34	-0.11	0.10	0.33
Manufacturing	158.7	159	142.7	115		
Δ %		0.00	-0.11	-0.24	-0.12	-0.38
Trade, Transportation, and Utilities	140	157.5	186	183.4		
Δ %		0.11	0.15	-0.01	0.08	0.24
Wholesale Trade	25.6	27	32.6	32.7		
Δ %		0.05	0.17	0.00	0.08	0.22
Retail Trade	97.9	113.3	133.9	133.2		
Δ %		0.14	0.15	-0.01	0.09	0.27
Transportation and Utilities	16.5	17.2	19.6	17.5		

Table 5

Puerto Rico Workforce Composition
United States Bureau of Labor Statistics
(Annual in Thousands)

Year	1990	1995	2000	2004	Δ% Average	Δ% Net
Δ %		0.04	0.12	-0.12	0.01	0.06
Information	15	17.2	20.7	22.3		
Δ %		0.13	0.17	0.07	0.12	0.33
Financial Activities	31.6	37.7	45.5	41.6		
Δ %		0.16	0.17	-0.09	0.08	0.24
Professional and Business Service	58.3	75.8	98.2	93.6		
Δ %		0.23	0.23	-0.05	0.14	0.38
Educational and Health Services	51.3	61.2	83.5	91.3		
Δ %		0.16	0.27	0.09	0.17	0.44
Leisure and Hospitality	35.7	48.4	66.2	69.01		
Δ %		0.26	0.27	0.04	0.19	0.48
Other Services	12.4	15.4	17.4	15.9		
Δ %		0.19	0.11	-0.09	0.07	0.22

4. The economy of Puerto Rico shows a tertiary sector tendency, which means a growth of the third sector of the economic model, the provision of services. *Table 5*, shows that the jobs created by the service sector reached 825.3 thousand employees, equivalent to 82% of the non-farm workforce. This number includes private and government jobs.
5. Manufacturing and the Production of Consumer Goods reflects a drastic decrease in job generation; a reduction of a 38% in the workforce from 1990 to the 2004. The industries of consumer goods production also show a decrease of 12% for the period shown in *Table 4*.
6. Manufacturing sectors most affected by the job losses are the textile industry, leather, and clothing.
7. This reduction in the manufacturing industry in Puerto Rico has two main reasons:

- Elimination of 936 Section of the Federal Internal Rent Code, which granted tax incentives to subsidiary industries establish in Puerto Rico from a U.S. domestic corporation.
 - The approval of the Free Trade Agreement of America, which led to the establishment of United States companies in foreign countries with lower income workforce.
8. As shows in Table 6, in relation to job distribution by occupations, Sales and Office Occupations have the highest demand followed by Management, Professional and Related Occupations and Services Occupations. These categories included both, occupations with high educational and low educational requirements. All categories are mainly related to service economic sectors. Farming, Fishing and Forestry Occupations have the lowest jobs demand. However, the Governor strongly support farming jobs because of its important economic contribution, as we detailed in Section I(A).

Table 6

Jobs Distribution by Main Occupations
Source: US Census Bureau, American FactFinder
Year:2000

<i>Occupations</i>	<i>Percent Distribution by Occupation</i>
Sales and Office Occupations	28
Management, Professional and Related Occupations	27.4
Service Occupations	16.2
Construction, Extraction and Maintenance	12.1
Production, Transportation and Material Moving	15.2
Farming, Fishing and Forestry Occupations	1.1

B. What industries and occupations are projected to grow and/or decline in the short term and over the next decade?

In 2003, the HRODC, contracted a private consulting firm to conduct a labor market study named The Labor Market in Puerto Rico (Estudios Técnicos, Inc, Estudio de Demanda Ocupacional). The purpose of this study was to know the present (2003) and future situation of the labor market in Puerto Rico, how it responds to new local and global tendencies and how they affects or benefits the market. The study deals with the following items: labor and occupational market situation, education system, the evaluation of available services and programs, and the position that each one assumes in the development of strategies and actions to harness the labor market.

The study shows an analysis of the human capital requirements of each industry and its projected demand. It identifies the 25 occupations in highest demand, for the next five years. According to this analysis:

- Service occupations is in the first position, which indicates a growing concentration of economic activities that “inject” the economy such as construction, retail and wholesales, health services and transportation, among others. Within the first 25 occupations in demand, only three do not belong to the service sector (construction workers, equipment assemblers, and seamstresses). Retail sales, education and health occupations demonstrate the highest growth within the 25 occupations of most demand.
- Some of these occupations, although decreasing, figures within the highest in demand. Examples are occupations related to the sewing industry, since in Puerto Rico many sewing companies have closed, employees in this sector are being retrained from a partial production task to complete knowledge and skills in the area.
- These tendencies forecast the economic composition trends for the rest of the decade. The predominant role of the service sector shows a significantly different economic pattern from four decades ago, when the process of

industrialization was in its peak. The variety of skills and educational levels required by the market, if the list is expanded to include the first 100 occupations in demand, is very significant.

Table 7

**Employment Demand Forecast by Occupation Since 2002-2007
Most Demand 25 Main Occupation (employed people)**

Source: Estudios Técnicos Inc.

SOC Code	Occupational Titles	2002	2003	2004	2005	2006	2007	Average
41-2031	Retail Salespersons	43,035	45,087	46,253	48,013	49,729	51,493	47,268
43-9061	Office Clerks, General	42,681	44,077	46,220	46,419	48,341	49,709	46,241
33-9032	Security Guards	33,167	34,285	35,755	37,557	38,853	40,189	36,634
43-6014	Secretaries, Except Legal, Medical, and Executive	31,475	32,574	34,016	34,655	36,056	37,101	34,313
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	31,211	32,066	33,557	33,877	35,087	36,109	33,651
41-2011	Cashiers	24,516	25,644	26,344	27,316	28,288	29,279	26,898
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	24,355	25,447	26,112	27,387	28,324	29,100	26,788
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	24,218	25,373	26,029	27,019	27,985	28,978	26,600
37-3011	Landscaping and Grounds keeping Workers	24,753	28,141	25,726	25,649	27,158	26,643	26,345
43-5081	Stock Clerks and Order Fillers	20,013	20,873	21,497	22,118	22,903	23,623	21,838
47-2061	Construction Laborers	18,636	18,826	20,487	20,694	23,156	23,994	20,966
29-1111	Registered Nurses	18,182	18,739	19,707	20,153	20,930	21,621	19,889
43-9022	Word Processors and Typists	17,327	17,802	18,946	18,529	19,390	19,972	18,661
51-2092	Team Assemblers	17,545	18,111	17,651	18,425	18,130	17,614	17,913
53-3032	Truck Drivers, Heavy and Tractor-Trailer	16,553	16,692	17,573	17,899	18,519	19,111	17,725
51-6031	Sewing Machine Operators	17,350	17,910	17,455	18,221	17,929	17,419	17,714
43-6011	Executive Secretaries and Administrative Assistants	14,566	15,023	15,742	15,833	16,472	16,918	15,759
43-9199	Office and Administrative Support Workers, All Other	14,597	14,966	15,915	15,638	16,339	16,840	15,716
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	14,398	15,017	15,518	15,847	16,483	16,881	15,691

Table 7

**Employment Demand Forecast by Occupation Since 2002-2007
Most Demand 25 Main Occupation (employed people)**

Source: Estudios Técnicos Inc.

SOC Code	Occupational Titles	2002	2003	2004	2005	2006	2007	Average
13-2011	Accountants and Auditors	14,153	14,670	15,266	15,489	16,093	16,502	15,362
41-1011	First-Line Supervisors/Managers of Retail Sales Workers	13,312	13,938	14,309	14,867	15,397	15,943	14,628
43-3031	Bookkeeping, Accounting, and Auditing Clerks	13,094	13,552	14,091	14,318	14,877	15,263	14,199
25-2031	Secondary School Teachers, Except Special and Vocational Education	11,733	12,123	12,637	13,367	13,810	14,301	12,995
13-1199	Business Operations Specialists, All Other	11,970	12,334	12,953	12,849	13,348	13,667	12,854
29-2061	Licensed Practical and Licensed Vocational Nurses	10,367	10,684	11,241	11,488	11,935	12,331	11,341

Service activities require various skill levels ranging from officials with very little skills to very high skilled professionals. However, at least half of the occupations in demand are professional/management or specialized officials. The market trends indicate that the education level will demand higher formal training for the occupational projections.

Although previously mentioned, occupations with low skill requirements such as security guards will also be in demand.

1. Agriculture

This is the smallest sector of the economy and it keeps decreasing. It is important to depict that its main activity is landscaping instead of food production. In the occupations associated with land and farming, the job demand is very limited.

Table 8

**Agricultural Employment Demand Forecast Since 2002-2007
Employed People**

SOC Code	Occupational Title	2002	2003	2004	2005	2006	2007	Average
37-3011	Landscaping and Grounds keeping Workers Caretakers	10,016	12,879	9,666	9,662	10,458	9,473	10,359
31-9096	Veterinary Assistants and Laboratory Animal	3,776	4,856	3,644	3,643	3,943	3,572	3,906
45-2092	Farm workers and Laborers, Crop, Nursery, and Greenhouse	2,463	3,167	2,377	2,376	2,572	2,329	2,547
39-2021	Non farm Animal Caretakers	1,478	1,900	1,426	1,426	1,543	1,398	1,529
37-1012	First-Line Supervisors/Managers of Landscaping, Lawn Service, and Grounds keeping Workers	1,314	1,689	1,268	1,267	1,371	1,242	1,359
29-1131	Veterinarians	657	845	634	634	686	621	680
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	328	422	317	317	343	311	340
51-3099	Food Processor Workers All others	2,955	3,800	2,852	2,851	3,086	2,795	3,057

2. Manufacture

Although manufacturing is not a traditionally fast growing sector, it still is one of the strongest economic sectors of the Island and one of the main job creators.

In the different areas, manufacturing occupational skills are diverse in scientific and administrative requirements. The proportion of occupations in this sector with lower skills needs is relatively less, which is consistent with the use of high technology in large size and dynamic areas.

It is convenient to remember that public policy gives emphasis in the formation of nucleus or activity clusters in manufacture, utilizing science and technology as a central element in these industrial groups. This implies that the demand is more in occupations related to science and technology, including computer science and a growing profession of human resources in this sector.

**Table 9 Manufacturing Employment Demand Forecast Since 2002-2007
Employed People**

SOC Code	Occupational Title	2002	2003	2004	2005	2006	2007	Average
51-2092	Team Assemblers	17,545	18,111	17,651	18,425	18,130	17,614	17,913
51-6031	Sewing Machine Operators	17,350	17,910	17,455	18,221	17,929	17,419	17,714
51-2022	Electrical and Electronic Equipment Assemblers	8,493	8,767	8,545	8,919	8,777	8,527	8,671
51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	6,052	6,247	6,088	6,355	6,254	6,076	6,179
51-1011	First-Line Supervisors/Managers of Production and Operating Workers	6,039	6,234	6,075	6,342	6,240	6,063	6,166
51-9199	Production Workers, All Other	5,688	5,872	5,723	5,974	5,878	5,711	5,808
51-9111	Packaging and Filling Machine Operators and Tenders	5,662	5,845	5,697	5,946	5,851	5,685	5,781
51-6042	Shoe Machine Operators and Tenders	4,909	5,067	4,939	5,155	5,073	4,928	5,012
53-7064	Packers and Packagers, Hand	3,324	3,432	3,345	3,491	3,436	3,338	3,394
51-4081	Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	2,195	2,266	2,208	2,305	2,268	2,203	2,241

3. Services

Service industry shows one of the largest growths in the local economy. It deals with very diverse industries that include the most basic services such as maintenance to the most sophisticated, such as a specialized professional consultant. The 10 occupations in demand in this sector reflect this diversity.

Of the 10 occupations in demand, 3 are of relative few skills. Within these are security guards, and secretaries, which are the two main occupations in demand. It is interesting that security guard occupy first place, which reflects an increase in crime that affects business's life and sales in Puerto Rico.

It also results that within the first 10 occupations are those that are related with health and education. The secondary school teachers and the graduate nurses occupy the third and fourth places on the list, after security guards and secretaries.

**Table 10 Services Providing Employment
Demand Forecast Since 2002-2007
Employed People**

SOC CODE	Occupational Title	2002	2003	2004	2005	2006	2007	Average
43-9061	Office Clerks, General	42,681	44,077	46,220	46,419	48,341	49,709	46,241
33-9032	Security Guards	33,167	34,285	35,755	37,557	38,853	40,189	36,634
43-6014	Secretaries, Except Legal, Medical, and Executive	31,475	32,574	34,016	34,655	36,056	37,101	34,313
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	24,355	25,447	26,112	27,387	28,324	29,100	26,788
29-1111	Registered Nurses	18,182	18,739	19,707	20,153	20,930	21,621	19,889
25-2031	Secondary School Teachers, Except Special and Vocational Education	11,733	12,123	12,637	13,367	13,810	14,301	12,995
29-2061	Licensed Practical and Licensed Vocational Nurses	10,367	10,684	11,241	11,488	11,935	12,331	11,341
25-1199	Postsecondary Teachers, All Other	6,017	6,218	6,481	6,855	7,083	7,334	6,665
25-3999	Other Elementary, Secondary and Vocational Teachers	5,611	5,798	6,043	6,392	6,604	6,839	6,215
25-2022	Middle School Teachers, Except Special and Vocational Education	5,270	5,445	5,676	6,004	6,203	6,424	5,837

4. Commerce (Wholesale and Retail)

Commerce, especially in its retail aspect, is also a large sector, although its dynamism is derived from the activity of other sectors of the economy. When projected, commerce will still be one of the main job generator sectors.

The three occupations in most demand within the commerce sector are related to general sales and sales prepared foods, including fast foods. These are two fast growing components. The occupations with the highest educational requirements are concentrated in commercial management and accounting.

**Table 11 Wholesale and Retail (Commerce)
Employment Demand Forecast Since 2002-2007
Employed People**

SOC CODE	Occupational Title	2002	2003	2004	2005	2006	2007	Average
41-2031	Retail Salespersons	43,035	45,087	46,253	48,013	49,729	51,493	47,268
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	24,218	25,373	26,029	27,019	27,985	28,978	26,600
41-2011	Cashiers	24,516	25,644	26,344	27,316	28,288	29,279	26,898
43-5081	Stock Clerks and Order Fillers	20,013	20,873	21,497	22,118	22,903	23,623	21,838
41-1011	First-Line Supervisors/Managers of Retail Sales Workers	13,312	13,938	14,309	14,867	15,397	15,943	14,628
53-3031	Driver/Sales Workers	7,515	7,873	8,077	8,384	8,684	8,992	8,254
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	31,211	32,066	33,557	33,877	35,087	36,109	33,651
35-2011	Cooks, Fast Food	7,344	7,694	7,893	8,193	8,486	8,787	8,066
41-4012	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	5,902	6,183	6,343	6,584	6,820	7,062	6,482
53-7064	Packers and Packagers, Hand	4,704	4,929	5,056	5,248	5,436	5,629	5,167
35-1012	First-Line Supervisors/Managers of Food Preparation and Serving Workers	4,460	4,673	4,793	4,976	5,154	5,336	4,899

5. Construction

Construction is one of the main forces of the Puerto Rican economy in projection periods. The occupations associated with construction of structures, and those related to transportation and commercialization of construction materials are going to have a constant demand in these industries.

In the list of the 10 occupations with the most demand are general construction workers, whose skill level range from basic to intermediate. Then follow construction officials that are more skilled, such as carpenters and electricians which are followed by bricklayers.

It is of interest that this sector demands few management occupations and professions. Apart from civil engineers and construction managers, the rest of the

occupations on the list request direct manual labor on the construction process (plumbers, painters, carpenters, among others).

**Table 12 Construction Employment Demand Forecast Since 2002-2007
Employed People**

SOC CODE	Occupational Title	2002	2003	2004	2005	2006	2007	Average
47-2061	Construction Laborers	18,636	18,826	20,487	20,694	23,156	23,994	20,966
47-2031	Carpenters	5,761	5,820	6,334	6,746	7,159	7,418	6,540
47-1011	First-Line Supervisors/Managers of Construction Trades and Extraction Workers	3,765	3,803	4,139	4,408	4,678	4,847	4,273
47-3013	Helpers--Electricians	2,673	2,700	2,938	3,130	3,321	3,441	3,034
47-2051	Cement Masons and Concrete Finishers	2,465	2,490	2,709	2,886	3,062	3,173	2,798
47-3012	Helpers--Carpenters	2,361	2,385	2,595	2,764	2,933	3,039	2,680
47-2171	Reinforcing Iron and Rebar Workers	1,955	1,975	2,149	2,289	2,429	2,517	2,219
47-2111	Electricians	1,799	1,818	1,978	2,107	2,235	2,316	2,042
47-3015	Helpers--Pipe layers, Plumbers, Pipe fitters, and Steamfitters	1,674	1,691	1,841	1,961	2,080	2,156	1,901
47-2152	Plumbers, Pipe fitters, and Steamfitters	1,570	1,586	1,726	1,839	1,951	2,022	1,782
47-2141	Painters, Construction and Maintenance	1,331	1,345	1,463	1,559	1,654	1,714	1,511

6. FINANCES

The finance sector has been one of the most effective in assimilation of modern technological information. This has required the human resources in the finance industries (banking and insurances) to maintain updated the acquisition of skills related with these technologies. It is expected that this tendency will continue through the next five to ten years.

Table 13 **Finance Employment Demand**
Forecast Since 2002-2007
Employed People

SOC CODE	Occupational Title	2002	2003	2004	2005	2006	2007	Average
43-3071	Tellers	7,589	8,168	8,215	8,454	8,846	8,962	8,372
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	5,172	5,567	5,599	5,762	6,028	6,108	5,706
43-9061	Office Clerks, General	4,834	5,203	5,233	5,385	5,634	5,709	5,333
37-2011	Secretaries, Except Legal, Medical, and Executive	3,887	4,184	4,208	4,331	4,531	4,591	4,289
43-6014	Secretaries, Except Legal, Medical, and Executive	3,702	3,984	4,007	4,124	4,314	4,371	4,084
41-3021	Insurance Sales Agents	2,383	2,565	2,580	2,655	2,778	2,814	2,629
43-4051	Customer Service Representatives	2,383	2,565	2,580	2,655	2,778	2,814	2,629
37-3011	Landscaping and Grounds keeping Workers	2,265	2,438	2,452	2,523	2,640	2,675	2,499
43-3031	Bookkeeping, Accounting, and Auditing Clerks	2,248	2,420	2,433	2,504	2,620	2,655	2,480
11-3031	Financial Managers	2,062	2,219	2,232	2,297	2,403	2,435	2,275
13-2011	Accountants and Auditors	1,961	2,110	2,122	2,184	2,285	2,315	2,163

Within the 10 occupations in greatest demand in the finance sector are cashiers and general office workers. These occupations have always been important in the banking industry, and in the past, required a relatively low skill level. However, presently cashiers, insurance and office workers manage sophisticated technological systems. If this tendency continues, it can be expected that there will be fast increase in income derived from these occupations in response to the increasing need for skills upgrading.

7. Transportation and Communications

In the transportation sector, heavy equipment operators and drivers dominate the sector. The communications sector projects a strong demand for installation and reparation of communication equipment. These are occupations with intermediate skill levels that claim higher income than most of the non-professional occupations. The large increase projected in the communications sector indicates that this group represents a high growth market occupation and relative higher income potential. In the transportation sector, the growth will be somewhat slower in the projected period, although it is expected that the growth increase substantially once the operation of the Port of the America's starts.

**Table 14 Transportation and Communication Employment Demand
Forecast Since 2002-2007
Employed People**

SOC CODE	Occupational Title	2002	2003	2004	2005	2006	2007	Average
53-3032	Truck Drivers, Heavy and Tractor-Trailer	4,284	4,051	4,286	4,607	4,607	4,811	4,441
49-2022	Telecommunications Equipment Installers and Repairers, Except Line Installers	3,722	3,520	3,725	4,004	4,004	4,181	3,859
49-9052	Telecommunications Line Installers and Repairers	2,282	2,158	2,284	2,455	2,455	2,563	2,366
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	2,282	2,158	2,284	2,455	2,455	2,563	2,366
43-4051	Customer Service Representatives	1,889	1,787	1,890	2,032	2,032	2,122	1,959
43-9061	Office Clerks, General	1,384	1,309	1,385	1,489	1,489	1,555	1,435
43-4181	Reservation and Transportation Ticket Agents and Travel Clerks	1,347	1,274	1,348	1,449	1,449	1,513	1,397
41-3041	Travel Agents	1,291	1,221	1,221	1,388	1,388	1,450	1,327
49-1011	First-Line Supervisors/Managers of Mechanics, Installers, and Repairers	730	690	730	785	785	819	757
53-7051	Industrial Truck and Tractor Operators	973	920	973	1,046	1,046	1,093	1,009

C. In what industries and occupations is there a demand for skilled workers and available jobs, both today and projected over the next decade? In what numbers?

See Section IV(B).

D. What jobs/occupations are most critical to the State's economy?

1. Pharmaceutical Manufacturing

- i. The pharmaceutical industry in Puerto Rico shows a continue growth pattern for the past decades. Between 1991 and 1995, the jobs in this industry have increased by 24.2 percent.
- ii. The pharmaceutical industry stands for over 30,000 direct jobs in Puerto Rico. This represents over 25% of the work force generated in the manufacturing sector (approximately 120,000 jobs). Also, it provides a major market for other industries, such as small business and professional organizations, which provide ample goods and services in areas such as manufacturing components, food services, engineering, medical and legal services, banking services, insurance, transportation communication, tourism and others. This related business generates approximately 90,000 additional jobs in Puerto Rico.
- iii. The pharmaceutical industry represents 25% Island Gross Domestic Product. The impact of the pharmaceutical industry on the local economy is also evident through its payroll.
- iv. Currently, the average wage among production workers it's among the highest salaries paid in Puerto Rico. In 2002, Puerto Rico exports in the pharmaceutical industry reached \$32 billion or 66% of all island exports.

2. Electronic Manufacturing

- i. The electrical/electronic sector is the second largest manufacturing group in Puerto Rico and its success is significantly due to the Island's high tech base and favorable business climate.
- ii. Among the well-known companies with operations on the Island are Siemens, General Electric, Hewlett-Packard, Solectron, Smart Modular, Cutler-Hammer, Microsoft, Storage Technology and Hubbell. In fact, 68% of the electronics companies in Puerto Rico are the subsidiaries of major U.S.A. companies. Some companies, including Solectron and Smart Modular, are also contract manufacturers.
- iii. Total shipments from the Island in this sector, including computer products, reached USD\$5.6 billion in 2002, the equivalent of 10.3% of total U.S.A. electronic and computer shipments.

3. Manufacturing Medical Device

- i. Companies engaged in the manufacture of medical/scientific/scientific devices have a sizable presence in Puerto Rico, making the Island one of the largest high-tech manufacturing centers in the U.S. MAINLAND
- ii. Companies making recent investments production facilities in this sector include Baxter, Medtronic, Stryker and Becton Dickinson. In September 2004 alone, St. Jude, Becton Dickinson, U.S. Surgical and Johnson & Johnson announced expansions that will create almost 1,000 additional jobs. European medical/scientific device companies operating in Puerto Rico include B. Braun (Germany), Unilever (UK) and Roche (Switzerland).
- iii. Puerto Rico shipped over \$2 billion of medical/scientific/scientific devices in 2003, placing it 8th in the world in the total shipments.

4. Puerto Rico's Biotech Harvest

- i. Much of the genetically engineered (GE) corn and soybean seed planted in the United States comes from this Caribbean island. Furthermore, Puerto Rico is also a preferred location for agricultural biotechnology experiments. According to data from the US Department of Agriculture, between 1987 and 2002, the island hosted 2,957 such experiments. This figure was surpassed only by Iowa (3,831), Illinois (4,104) and Hawaii (4,566).
- ii. These experiments are mostly aimed at the two most widely used GE traits: herbicide resistance (like Roundup Ready crops) and insect control (like the insecticidal Bt corn). They also include research on biopharmaceutical crops – plants that produce pharmaceutical and industrial chemicals in their tissues – and have included the controversial "Terminator" crops, which produce sterile seed.
- iii. The island's friendly tropical weather permits as many as four harvests per year, making it a favorite for seed breeders for agribusiness and biotechnology corporations like Dow, Syngenta, Pioneer and Monsanto, which got together in 1996 to form the PR Seed Research Association (AISPR).

5. Biotechnology Industries

- i. Literally speaking, biotechnology refers to the application of our knowledge of biological phenomena to serve our economic and social needs. A more modern and focused definition which is more consistent with current usage would limit the term to the application of modern techniques of molecular biology and bioinformatics to solve industrial and scientific problems.
- ii. With 30 years of experience in pharmaceutical industries and 16 out of the top 20 best selling drugs in the U.S. manufactured on the

island, Puerto Rico has been a world hub for biotechnology even before the term became popular. The Government of Puerto Rico has specifically targeted biotechnology as a key development area and offers important incentives and support. Our custom designed packages are not only limited to manufacturing, but also include process development, clinical research, and marketing among others.

- iii. In 2001, the Puerto Rico Biotechnology Alliance was formed, to serve the growing biotechnology industry cluster in Puerto Rico. The Alliance is comprised of members from the government, corporations, and academia. Goals include promoting biotechnology research on the Island, optimization of biotechnology curricula in our universities, marketing the capabilities of the biotechnology industry in Puerto Rico.
- iv. The Puerto Rico Biotechnology Alliance is focusing its efforts on the application of molecular biology and bioinformatics to health and medical research. Given that Puerto Rico has a strong pharmaceutical industry on which to build a biotech infrastructure, biomedical applications are the most obvious growth path for this industry on the island, although we do not exclude applications such as environmental and marine biotechnology, agricultural biotechnology and biomass for energy. Furthermore, their emphasis conforms to the national science and technology policy.
- v. In Puerto Rico, industries are investments of over USD \$1.5 billion in biotech manufacturing in one year. Biotech giants including Abbott, Eli Lilly and Amgen have found great operational and financial benefits in Puerto Rico. Recent investments in this sector include \$800 million-Amgen, \$450 million-Eli Lilly, and \$350 million-Abbott Laboratories. These investments cover only the plant and equipment costs for bulk biotech manufacturing. Once

operating, these projects will employ over 1,200 people. Biotech has moved from the lab to the factory, and Puerto Rico is leading the way. Of course, the island also has biotech fill/finish facilities.

6. Medical Device

- i. Companies engaged in the manufacture of medical/scientific/scientific devices have a sizable presence in Puerto Rico, making the Island one of the largest high-tech manufacturing centers in the U.S. mainland companies making recent investments production facilities in this sector include Baxter, Medtronic, Stryker and Becton Dickinson. In September 2004 alone, St. Jude, Becton Dickinson, U.S. Surgical and Johnson & Johnson announced expansions that will create almost 1,000 additional jobs. European medical/scientific device companies operating in Puerto Rico include B. Braun (Germany), Unilever (UK) and Roche (Switzerland).
- ii. Puerto Rico shipped over \$2 billion of medical/scientific/scientific devices in 2003, placing it 8th in the world in the total shipments.
- iii. Medical/scientific/scientific device manufacturing companies also find a ready supply of educated workers at all skill levels. Puerto Rico universities graduate some 23,000 bilingual students each year, 9,000 with degrees in science, engineering and technology. That places the Island 9th in the U.S. in terms of engineering degrees awarded. Well-recognized Ph.D. programs provide researchers.
- iv. Puerto Rico's bilingual and available workforce is well prepared to meet the needs of medical/scientific device companies operating on the Island as well as those considering an expansion or relocation.
- v. Over 15,000 local workers are employed in the Medical Device manufacturing industry, including in the following Job Titles:

- a. Design Engineers
- b. Project Engineers
- c. Research & Development
- d. Production/Manufacturing
- e. Packaging and Sterilization
- f. Process Engineering
- g. Quality Assurance/Quality Control
- h. Regulatory and Legal Affairs
- i. Corporate Management

7. Contact Center

- i. Puerto Rico's bilingual and available workforce is well prepared to meet the needs of companies operating on the Island, as well as those considering expanding or relocating. The required telecommunications infrastructure is already in place, including a 100% digital network; 4,600km of fiber optic cable creating 12 self-healing rings and an Asynchronous Transfer Mode network that rivals or exceeds the quality of many ATM networks in the U.S. and around the world.
- ii. Puerto Rico is connected to the world through 92 satellites, and six (6) major undersea cables. Puerto Rico ranks seventh (7th) in the Caribbean and Latin America in fixed line communication and third (3rd) in Internet penetration. A highly educated, bilingual (Spanish/English) workforce makes Puerto Rico the location of choice for contact center companies looking to enter or expand within the North American, South American or Caribbean markets.
- iii. Companies making recent investments in facilities in this sector include Atento, Direct Responsource, IDT Netherlands, Equant

Puerto Rico, Ericsson Caribbean, IDT Corporation and Neptune Media. Collectively, these companies created over 1,100 jobs.

E. What are the skill needs for the available, critical, and projected jobs?

- Attachments 1, 2 and 3 present the knowledge, skills and abilities needed for the available, critical, and projected jobs in Puerto Rico. The information was gathered using the Occupational Information Network (O'NET) system. The Standard Occupational Classification (SOC) was used to identify the SOC code or occupational title for the 25 main occupations in demand in Puerto Rico and for critical occupations of the Islands' economy. Critical occupations selected are related to Biotechnology, Pharmaceutical (O'NET identifies them as Chemical Occupations) and Medical Devices. Occupations related to production workers and industry operators were selected within these sectors.
- Attachment 1 identifies the knowledge required in each occupation as established by O'NET. As previously mentioned, in the Puerto Rico the 25 main occupations are related to services provision. Knowledge required for this economic sector is Customer and Personal Services, English Language and Clerical Services. Whereas in the critical occupations, Mathematics, Technology, Mechanics Production and Processing knowledge are considered as outstanding requirements. This because Puerto Rico key industries are related to high technology.
- Attachment 2 shows the skills required for the 25 main occupations and critical occupations in Puerto Rico. Basic skills identified by the O'NET system are the most needed skills for both, service and critical occupations. The most needed basic skill is Mathematics, Reading Comprehension, and Writing. A Social Skill required in the 25 main occupations is Social Perceptiveness, because most of the occupations related to service provision require personal relations with clients. Critical occupations also required more complex skills like Systems and Technical Skills. Within these categories Equipment Selection and Maintenance, and Quality Control Analysis are considered as outstanding.

- Attachment 3 shows the abilities needed in the 25 main and critical occupations in Puerto Rico. Most needed abilities in the selected occupations are the Cognitive Abilities. In this category Information Ordering, Oral Comprehension, Problem Sensibility, and Written Comprehension are the most desirable.
- The CDORH will encourage the Local Areas to use the skills, abilities, and knowledge matrixes to determine the participants training needs for the investment of WIA funds. In this effort, an Administrative Memorandum was issued by the CDORH explaining the use of the O'NET System to the Local Areas. The Memorandum includes the steps to search the skills, abilities, and knowledge required by each occupation within the system. This initiative will be accompanied with the results of the Occupational Demand Census (CEDOE) conducted by the Puerto Rico Department of Labor and Human Resources, in which each Local Area will be able to identify the increasing and decreasing demand of occupations in the different geographic regions of Puerto Rico. The combination of these resources will assist the Local Areas to determine the adequate investment of WIA Funds, responding to the occupations in demand.

F. What is the current and projected demographics of the available labor pool (including the incumbent workforce) both now and over the next decade?

See Question B in this section.

G. Is the State experiencing any “in migration” or “out migration” of workers that impact the labor pool?

Puerto Rico has been experiencing as “in migration” of worker from South America and the Caribbean Islands. Most of the jobs that these workers are vying for are in the field of construction and agriculture.

- H. Based on an analysis of both the projected demand for skills and the available and projected labor pool, what skill gaps is the State experiencing today and what skill gaps are projected over the next decade?**

Situation of the Education System

To understand the skill gaps that workers are experiencing in Puerto Rico, it is important to know occupations and academic programs relationship. The analysis of the actual offers of universities show that, in general, the educational institutions in Puerto Rico have responded to the interests of the students, as it is demanded in the job market. Although this suggests that the institutions has the capacity to respond to the occupational demand, this means, producing professions in areas of need, this does not mean that they are taking advantage to its maximum extent. The capacity level to satisfy the demand under which they operate depends on the number and type of degrees conferred in comparison human resource requirements of the different occupations demanded from the different industries.

The Higher Education Council (CES, for its Spanish acronym), entity that regulates the operation of post-secondary institutions in Puerto Rico, recognizes the current existence of 74 graduate educational institutions. Meanwhile, the Integrated Postsecondary Education Data Systems (IPEDS) indicates 137. The institutions recognized by CES are college level; IPEDS offers information about university and postsecondary level institutions. It is important to indicate that the number of educational institutions in Puerto Rico is more than what is indicated by both sources. In the Puerto Rico's Private Education Association's Directory, around 300 institutions were identified, this estimate does not include the public sector.

For year 2000-2001, IPEDS identified that 93.4% of the registered educational institutions were certified. Of these institutions, 25% were located in the San Juan region, followed by Bayamón (11.8%), Ponce (8.1%) and Caguas (8.1%).

The CES indicated that in the past 15 years, the number of students enrolled in the education institutions of Puerto Rico has increased in the public and private sector.

Table 15

**Postsecondary Enrollment in Puerto Rico
School Years 1976-2002**

<i>School Year</i>	<i>Total Enrollment</i>	<i>Public Colleges</i>		<i>Private Colleges</i>	
		<i>Enrollment</i>	<i>%</i>	<i>Enrollment</i>	<i>%</i>
1976-77	111,311	52,686	47.3%	58,625	52.7%
1977-78	119,083	53,078	44.6%	66,005	55.4%
1978-79	126,196	52,703	41.8%	73,493	58.2%
1979-80	130,195	53,956	41.4%	76,239	58.6%
1980-81	135,153	55,919	41.4%	79,234	58.6%
1981-82	139,459	52,580	37.7%	86,879	62.3%
1982-83	151,893	55,268	36.4%	96,625	63.6%
1983-84	160,093	57,654	36.0%	102,439	64.0%
1984-85	155,496	58,047	37.3%	97,449	62.7%
1985-86	157,686	58,521	37.1%	99,165	62.9%
1986-87	158,473	59,799	37.7%	98,674	62.3%
1987-88	155,589	60,032	38.6%	95,557	61.4%
1988-89	156,825	60,438	38.5%	96,387	61.5%
1989-90	156,011	58,804	37.7%	97,207	62.3%
1990-91	157,363	57,997	36.9%	99,366	63.1%
1991-92	160,922	57,173	35.5%	103,749	64.5%
1992-93	161,056	56,535	35.1%	104,521	64.9%
1993-94	161,689	58,000	35.9%	103,689	64.1%
1994-95	165,398	59,772	36.1%	105,626	63.9%
1995-96	171,428	66,575	38.8%	104,853	61.2%
1996-97	172,935	70,765	40.9%	102,170	59.1%
1997-98	175,633	72,010	41.0%	103,623	59.0%
1998-99	174,471	72,204	41.4%	102,267	58.6%
1999-00	175,802	73,846	42.0%	101,956	58.0%
2000-01	*	*	*	*	*
2001-02	191,552	73,974	38.6%	117,578	61.4%

IPEDS data shows that for the 2001-2002 academic years, within the 136 educational credited institutions, approximately 191,552 students enrolled. IPEDS and the (CES) identified a female predominance enrollment in the accredited educational institutions for during the 1999-2000, 2000-2001 and

2001-2002 academic years. In the 1999-2000 year, the percentage of females was 61.7, in the 2000-2001 year, it was 58.0 and in 2001-2002, 60.6%.

IPEDS indicates that during the 2000-2001 academic year, approximately three out of every five students at undergraduate level were part time. During the 1999-2000 and 2001-2002 academic years, there was an increase of 2% in the number of part time students and more that 78% students were full time. It must be indicated that one possible factor for the high percentage for the enrollment of full time students is the requirements demanded from economic assistance programs. Interestingly, IPEDS shows that 89% of the students at undergraduate level pay for the costs of their studies through economic assistance.

Table 16
Postsecondary Graduated Students in Puerto Rico
School Year 2000-01

Degrees Conferred	Students	%
Short-term Courses	18,539	42%
Associates Grades	6,210	14%
Bachelor Degree	15,672	36%
Master Degree	2,535	6%
Doctor Degree	115	0%
Post Bachelor Degree	149	0%
First Professional Diploma	750	2%
MD	2	0%
Total	43,972	100%

IPEDS data shows that during the 2000-2001 academic year, around 43,972 academic degrees were conferred, for a graduation rate of 77.0%.

In Puerto Rico, 42.2% of the degrees conferred concentrated in specialized short programs, with duration of 1 to 3 years. A tendency of a large number of students enrolled in short academic programs has increased in the past years. The statistics presented also reflects that 57.8% of the degrees given are requiring higher academic preparation (associates degree, bachelor degrees, masters, etc.) The next table, evidences that of the degrees given 14.1% are Associate Degrees,

35.6% Bachelors, 5.8% Masters, 0.3% Doctorates, 1.7% First Professional Certification and 0.3% Post-bachelor Degrees.

Educational institutions appear to be more interested in short term courses programs to attract students aspiring for a short term in a short period of time; and also for professionals who desire to widen their knowledge, continuous education or develop skills in other areas.

As stated by IPEDS, the majority of degrees given for academic programs during the 2000-2001 academic year, were in Business Administration, (23.8%), Health (16.3%); Personal Services (8.5%); Engineering related to Technology (7.1%); and Education (6.4%). In the Business Administration and Education area 50% of the academic certifications are bachelors degrees. Meanwhile, in the programs related to health, engineering, and Personal Services short-term certifications are more common with 53.3%, 77.8% and 73.9% respectively.

Table 17 Most Requested Academic Program in Puerto Rico
School Year 2000-01

Programs	Total Students	Short-term Course	Associates Grades	Bachelors	Post Bachelor	Master Degree	PHD	FPD	%
Business Administration and Administrative Services	10,453	3,051	1,398	5,224	0	776	4	0	29%
Health Programs	7,135	3,681	1,747	984	136	280	13	294	20%
Professional Services	3,729	2,901	9	763	0	56	0	0	10%
Engineering Related to Technology	3,130	2,314	611	205		0	0	0	9%
Education	2,796	16	6	2,121	0	633	20	0	8%
Computers and Information System	2,773	2,037	453	218	13	52	0	0	8%
Protective Services	2,009	116	1,049	788	0	56	0	0	6%
Automobile Mechanic and Repair	1,857	1,714	128	15	0	0	0	0	5%
Engineering	1,206	0	46	1,000	0	158	2	0	3%
Biology Sciences	1,043	0	83	917	0	36	7	0	3%
Total	36,131	15,830	5,530	12,235	149	2,047	46	294	100%

In the following table, it is evident that the first ten programs of the most request program are aimed at technical occupations, sales and administrative support, services, and specialized professions. There is a similar pattern when comparing occupations in demand in Puerto Rico with the academic programs in demand, focusing in technical, sales, administrative support, services and specialized professions occupations. Occupations not requiring academic preparation, but demanding skills are: drivers, maintenance, order dispatchers and packaging among others. There are also occupations that require academic preparation; but there are no institutions that specialize in these disciplines are: construction workers, equipment assembly, gardeners, seamstresses, and vendors.

Each programs offered in the educational institutions have different concentrations. Within the concentrations presented by IPEDS for the 2000-2001 year, technical occupations, sales and administrative support such as accounting, business administration, medical secretary, pharmacy, medical emergency technician, dental assistant, and other health professions, personal services and protection services, present the higher demand. In the specialized professions, concentrations in demand are educators, physiologists, social workers, lawyers and criminologists. These last professions will have a high demand in the next ten years due to the amount of social problems that affect Puerto Rico. Some of these social problems are crime, domestic violence, drug addiction and mental health among others.

Table 18

**Occupational Title
and Most Requested Academic Programs Relation**

Occupational Title	Academic Program
Retail Salespersons	Business Administration and Administrative Services
Office Clerks, General	Business Administration and Administrative Services
Security Guards	Protection Services
Secretaries, Except Legal, Medical, and Executive	Business Administration and Administrative Services
Laborers and Freight, Stock, and Material Movers, Hand	Most Requested Academic Program Not Apply
Cashiers	Most Requested Academic Program Not Apply
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	Most Requested Academic Program Not Apply
Combined Food Preparation and Serving Workers, Including Fast Food	Most Requested Academic Program Not Apply
Landscaping and Grounds keeping Workers	Most Requested Academic Program Not Apply
Stock Clerks and Order Fillers	Business Administration and Administrative Services
Construction Laborers	Most Requested Academic Program Not Apply
Registered Nurses	Health Programs
Word Processors and Typists	Computers and Information System

Occupational Title	Academic Program
Team Assemblers	Most Requested Academic Program Not Apply
Truck Drivers, Heavy and Tractor-Trailer	Most Requested Academic Program Not Apply
Sewing Machine Operators	Most Requested Academic Program Not Apply
Executive Secretaries and Administrative Assistants	Business Administration and Administrative Services
Office and Administrative Support Workers, All Other	Business Administration and Administrative Services
First-Line Supervisors/Managers of Office and Administrative Support Workers	Business Administration and Administrative Services
Accountants and Auditors	Business Administration and Administrative Services
First-Line Supervisors/Managers of Retail Sales Workers	Business Administration and Administrative Services
Bookkeeping, Accounting, and Auditing Clerks	Business Administration and Administrative Services
Secondary School Teachers, Except Special and Vocational Education	Education Programs
Business Operations Specialists, All Other	Business Administration and Administrative Services
Licensed Practical and Licensed Vocational Nurses	Health Programs

I. Based on an analysis of the economy and the labor market, what workforce development issues has the State identified?

As previously mentioned, the HRODC, contracted in 2003, a private consulting firm to conduct a labor market study named The Labor Market in Puerto Rico.

The purpose of this study was to know the present (2003) and future situation of the labor market in Puerto Rico, how it responds to new local and global tendencies and how they affects or benefits the market. The study deals with the following items: labor and occupational market situation, education system, the evaluation of available services and programs, and the position that each one assumes in the development of strategies and actions to harness the labor market.

This study uses primary sources, like focus groups and interviews with adults, youth, dislocated workers, educational leaders and employers; and secondary sources, as Puerto Rico labor statistics from state agencies. The results were analyzed under the triangulation technique, which allows the validation of results and the creation of a more real image of the present situation.

Focus Groups

Focus groups are one of the most commonly used techniques in the United States as a tool to gather qualitative information (*Thomas L. Greenbaum, 1993*). The conceptual frame of this investigation emerges from the statement that not all the groups express their point of view in the same form in relation to the subject study.

For the study purposes five focus groups were developed, designed towards three segments of the population as defined by the WIA system:

- Adults between 22 to 45 years olds.
- Adults between 46 to 65 years olds.
- Youth between 18-21 years olds.

- Dislocated workers from North Central, Northeast, Northwest, Southeast and Dorado/Manatí Local Areas - These are the five Local Areas with the most dislocated workers representation in Puerto Rico, as provided by the State Unit for Dislocated Workers.

Key Informant Interview

A phase of the study was interviewing key informants of public and private companies, educational institutions, outplacement agencies and labor force specialists. This type of interview is a qualitative investigation technique that obtains data of people whose preparation or experience enables them to offer an opinion on the subject under study.

1. Participant Features

The key informants who participated in the interviews represented the public and private sector and community-base organizations. Of the total interviews made to informants, 29 were to employers, 24 to educational institutions, 7 to specialists in the subject and 5 to outplacement agencies.

a. Employers

Most of the interviewed employers were from private sector; only two were from the government and community-base organization. The companies or agencies that they manage, or for which they work have been operating in Puerto Rico for 11 to 50 years. They work in different types of industries, like manufacturing, high technology industries, pharmaceutical, and food and services manufacturing industries.

Of the total interviewed, 21 companies indicated that they employ approximately 7,786 people. These workers concentrate (approximately 65.0%) in operational areas, production and services provided by areas of their companies (Example:

technicians, operators and professionals). Meanwhile, management and administrative personnel were less than 20 percent.

b. Educational Institutions

The majority of the participating educational institutions represented the private sector. The rest were non-profit organizations and community based organizations. Only two of the educational institutions were representatives from the public sector. Of the 24 interviews done with the representatives of the educational institutions in Puerto Rico, 11 were post secondary schools, 7 universities, 4 educational centers, and 2 vocational technical schools.

The participating educational institutions offer diverse programs, which are concentrated in technical and vocational professions. The majority of the educational institutions are located in municipalities with large populations as: San Juan, Ponce, Mayaguez, Manatí, Caguas and Guayama. The majority of these educational institutions have been offering educational services for more than 15 years.

Some of the educational institutions have a registration of 75 students, while others surpass 7,000 students. The majority of the interviews conducted to representatives of the universities and post-secondary schools were done with at least two members of the consulting committee. Those interviewed are executive directors, deans, professors, academic directors, presidents, vice-presidents, administrators and placement directors.

c. Professionals in the Topic

Seven (7) interviews were conducted to persons having ample knowledge of the job market and economic situation in Puerto

Rico. Within participating entities, there are unions, commercial associations, and educational councils, among others. The representatives of these entities occupy positions as presidents, economic development directors, temporary directors of economic planning and information, vice-presidents and executive directors.

These informants had job experience in the public and private sector and non-profit organizations.

2. Perception of Economic Agents on the Job Market

The interviews to key informants and focus groups demonstrates an existing uncertainty concerning what job market may provide in the future, this concern exists within the employers as well as in workers.

On the other hand, there is optimism, understanding that the development of activities related to science and technology may be successful if the necessary skills in demand are provided to workers. In addition, the need for the development of new small businesses recognized.

1. Workers

Although interested in finding a job, the workers confront difficulties particularly when:

- a. Lacking experience
- b. Income is not enough to support their home
- c. Not many job opportunities in the area of education
- d. Working hours does not met the style and needs of life of the workers, for example, it negatively affects those who do not own cars and do not have anyone to take care of their children;

- e. They do not have enough academic preparation and/or necessary skills;
- f. No job opportunities in the geographic area; and
- g. The jobs available are not accessible by public transportation.

2. Employers

The employers have been obligated to change the personnel evaluation mechanism for the selection of personnel and their salary. Presently, more weight is given to skills and academic education.

Although the experience of a candidate is important when related to the employment opportunity considered, it is the candidates competencies what will determine the possibilities to be hired.

The employers recognize that resources with more skills are costlier. Nonetheless, the capacity of paying adequate salaries can determine the competitiveness of the company. However, it can be inferred that the employers, before considering the level of skills of the potential employee, in compliance with the requirements of the position, they evaluate attitudes and aptitudes. Presently, the employers consider the attitudes and aptitudes as skills required for the position, which is reflected in the evaluation process for the recruitment of candidates.

We present the following list of skills identified by the employer's as most value in the current labor market:

- a. Fluent in English and Spanish
- b. Knowledge in managing a computer
- c. Basic skills such as reading comprehension, writing and analysis
- d. Capacity to work in groups

- e. Desire and caring for their work
- f. Good appearance and neatness
- g. Punctuality
- h. Positive attitude and optimism;
- i. Be reliable and faithful to the company;
- j. Initiative
- k. Persistence
- l. Own vehicle for the jobs that require them.

The Perception of the Workers and the Imperfections of Information

The focus groups evidenced dislocation between the actual needs of the job market and the occupations they perceive in demand. The average worker recognizes that the global tendencies demand individuals, whose occupations are related to technology and services, including nursing, health and occupations in the hotel industry. They also perceive that there will be a high demand for construction workers.

However, they are not aware that although there is an evident tendency towards science and technology, occupations with little academic requirements and basic skills are still and will be in demand. Many training service providers and colleges with training services shared these opinions.

This can indicate information flaws in the labor market. These flaws can make students and workers to choose skills with little or no demand, which could turn into lessen job opportunities and lower salaries. It could also take institutions to dedicate their limited resources to programs with no relation to the labor market needs. The following section evaluates the actual and potential position faced by service providers of educational institutions and intermediaries in the labor market.

J. What workforce development issues has the State prioritized as being most critical to its economic health and growth?

Opportunities and Challenges in the Puerto Rican Job Market

The analysis of the local and global economic situation, its impact on the demand of jobs for each sector of the economy and political – legislative framework in which the market forces interact have allowed the identification of a series of opportunities and challenges for Puerto Rico and its job market.

The main challenges include:

- The aging of the population and the reduction in the participation rate.
- Major competition by Countries that are members of NAFTA, the European and Asian Union.
- Lack of awareness and presence in the regional sphere.
- Short life cycles of products and industries because of fast advances in technology.
- Changes in incentive structures for industries.
- New requirements and more employment skills, particularly for industries related to science and technology.
- The job scheme (schedule, salary, benefits) is dissociated with the actual socio-demographic composition of the workforce (single mothers and fathers, more elders) and the new tendencies in occupational careers instead of career ladders.
- Job centers are far from the place of residence of the potential workers.
- Public policy does not adequately protect the contingent worker.
- Minimum wage is not proportional to the cost of living.

On the other hand, the principle opportunities are towards:

- Emerging concentration of companies related to advance technology.
- Moderate and stable inflation and interest rates.
- New businesses related to technology.
- New organizational schemes and job relations provide flexibility and promotes rise in productivity.

These opportunities and challenges indicate the need to consider the relation between the educational system and the labor market. The effect of the discrete demand for occupations related to advanced technology versus the high quality of the workforce and the role of what the Government and other intermediaries can do to improve the way job market works in the Island.

Situation faced by the Puerto Rico Job Market

The basis established by the local and federal legislative-political framework for optimizing the operation of the job market, in some aspects, is not associated with the reality of the actual economy. Within the most important general political aspects that have emerged in the last years we can find:

- a. How to face the high turnover rates, through layoffs or resignation, and the effect it is having over the efficiency and productivity of the companies and the rights and opportunities of the employees?
- b. How to protect the rights of the employees without sacrificing the competitiveness of the company under new organizational schemes and alternative job relations characterized by indistinctive limits between the Government, the employer, the management and the average worker?
- c. How to facilitate the mobility or continuous access to better job opportunities under the situations previously described? These general

guidelines allow identifying of specific subjects that require intervention. Within this we can find the following:

- **Layoffs and the rights and opportunities of those lay off.** As evidenced by a series of interviews with employers, carried out, a large number of companies recur to layoffs in response to the economic pressures and its direct, indirect and induced effects. Seven out of every ten (10) interviews reported that they had recurred to layoffs due to changes in product demand therefore affecting the volume of work they can sustain; the restructuring of operations in a local and/or multinational level within the establishment; and the perception of a decline in competitiveness of the Country as a place to do business, a rise in operation costs which have resulted in the permanent closing of various plants. Although eight (8) of every ten (10) employers interviews coincided in that a layoff is not the most favorable alternative, neither for the company or the employees, in order to respond to external pressures they indicated that very little is possible to use other instruments and that the instruments provided by public policy are limited. Although on some occasions alternatives are presented to the employee, such as early retirement, relocation to other establishments of the same company, and compensation, among others, the layoff can perhaps occur.

The companies are seen obligated to alert their employees about the intention of a layoff 60 to 90 days in advance. However, it is very possible that the soon to be dislocated workers do not have the capacity or the opportunity to obtain a new job during this period. Who should assume the responsibility to reconsider these employees? How can we provide them a more comfortable transition from one job to another? These questions get complicated when the situation of each individual can be very different. Meanwhile, some dislocated workers were hardly incorporated in the workforce (having been only

4 to 5 months within the company) and others who are older have dedicated more than 20 of their more useful years to the same company.

- **Employer – employee relation: Instability vs. flexibility.** The type and duration of an employer-employee relation has changed during the last couple of years. Traditionally, an expectation of a permanent relationship between both parties existed; currently the situation is very different. Maintaining a stable and long relationship between the employer and the employee is considered a mutual benefit. The employer will invest in the formation of human capital of each employee with a certain security or guarantee that the investment can be enjoyed for much time. On the other hand, the weight of seniority in the determination of the benefits and responsibilities of the employee within the company can discourage the abandonment of their position and the move to other establishments where they would have to start over. The career ladder positions with promotion opportunities and rise in salary take the employees to remain in the same company for the majority of their lives.

However, the necessity to count with the capacity to agilely respond to repeated changes in the effective demand for different products and the tastes of the consumers have made that the commitment of the employer and its investors be more important than the permanent relationship between the employer and the employee. This way the employee resorts to enlarging or reducing personnel as necessary to maximize the competitiveness of the company. On the other hand, as dominant economic activities relate more and more to science and technology, the placement and responsibility systems and benefits depend on seniority less and less and more on the capabilities and skills with which the workers counts with. For this reason, they do not feel tied to only one company; more so, they feel in control of

their own destiny and free to follow the available opportunities for vertical movement even though they find themselves out of the company where they actually work.

In the past, the professional future of an individual relied on the company that they worked their whole life. Presently, the opportunities presented to an individual are tied mostly to the occupation they maintain and the actualization and formation of the skills they possess. In addition, incentive systems, including salary, bonus, insurances covered and other benefits are widely associated with performance measures, which can be seen as subjective. One of the major concerns brought by this pattern is based on the guarantee of equal opportunities for all employees.

Another concern deals with how to give companies incentives to invest in the formation of human capital facing the real risk that another company may enjoy their investment. The companies have stopped investing in forming the basic skills and tend to offer major opportunities of professional development to individuals who have already shown a high level of performance in training investments and training that result in efficiency and productivity. How can it be guaranteed that everyone will have the same access to professional development opportunities, such as training?

- **New organizational schemes.** In the search for more flexibility in the management of different projects and volumes of work, some employers have created or adopted new organizational schemes, such as more straight forward structures that eliminate middle management and team work that requires more interpersonal and communication and horizontal coordination skills within the groups. Under this new structure, it can be asked of employees to perform functions that they are not accustomed to and are beneficial for the company. In

addition, the responsibilities that fall on the middle management have been divided between the high level management and the average employees, creating indistinct limits as to what corresponds to each person. Although these organizations have demonstrated with prudence to promote with more efficiency and productivity, it is complicated to regulate the employer –employee and management – employee relationship, including the responsibilities and benefits that corresponds to each one, under these circumstances.

- **Contingent and temporary work and other alternative work relations.** One of the favorite strategies adopted by companies to expand the operational flexibility and agility is by alternative job relations, such as contingent, temporary, or contracted work. This measure permits the employer to increase its employee base when needed without being obligated to commit to a long-term position. Contingent work has been demonstrated to work so well just as equally for the private companies and government agencies. However, due to gaps in the valid legislation, the rights of some workers are abused and put in danger. For example, a company can opt to rotate these part time workers frequently in order to not be obligated to provide them with benefits such as health insurance and disability insurance. The workers should comply with a minimum term of continuous work in order to qualify for assistance such as unemployment; also, contingent workers do not always stay in a company for that minimum period.

Nevertheless, this type of work has its benefits, particularly for those who require a flexible schedule with which they can also tend to family and obligations at home, such as head of houses olds, especially in cases where there is only one parent or a family member requires special attention. How can a worker be substituted during maternal/paternal leave, vacation or disability? The main concerns

are towards how to provide workers that have jobs with portable benefits and protecting their basic rights so that it can be seen as a fair and viable alternative for all parties.

- **Mobility.** The tendencies mentioned before point to a dynamic and changing labor market in which mobility is not only expected but also results as necessary. The adequate function of a job market under this dynamism requires organizations and institutions to assure the continuous flow of information about the availability and requirements of jobs and the salary levels and benefits acceptable by industry, occupation, and region, among others. The government, due to its structure and fiscal limitations, is not always the optimum information broker. It is then important to rethink the structure of job search assistance, placement, training and reintegration programs in a way that other providers, public, private or non-profit, can form a part of this system. What roles do the, unions, associations, universities, colleges, technical-vocational, community based and non-profit organizations play?
- **Salaries and the cost of living.** Lastly, it is important to signal that in general the salaries do not always proportionally rise according to the cost of living. Usually jobs with a compensation of minimum wage do not provide workers a salary that their family requires, even when both parents are present and both work. This has pushed many people to take on two or three jobs, as evidenced by a series of focus groups of dislocated workers studied this year by Estudios Técnicos, Inc.

Some think that a rise in minimum wage and other benefits affect the companies. Others comment that although the workforce in Puerto Rico is of very high quality requires a very large investment. Furthermore, the employers estimate that the average cost of overhead

for a company can fluctuate between 10% to 80%. This includes benefits, trainings, insurance and diets.

Actually, various states and cities in the United States debate about changing for minimum wage to a salary that responds to the cost of living in each region. Various regions have found this initiative very successful.

V. Overarching State Strategies

A. **Identify how the State will use WIA Title I funds to leverage other Federal, State, local, and private resources in order to maximize the effectiveness of such resources and to expand the participation of business, employees, and individuals in the Statewide workforce investment system? (§112(b) (10).)**

Puerto Rico will use WIA Title I funds to leverage other resources to maximize the effectiveness of such resources in order to expand the participation of business, employees, and individuals in the statewide workforce investment system. Many of the arrangement for sharing other federal, state, and local resources are worked out in detail at the local level involving other state agencies as local One-Stop partners, through Memorandum of Understanding (MOUs).

State agencies such as the Vocational Rehabilitation Administration, Housing Department, Education Department, Right to Employment Administration and Family Department all contribute with Federal and State resources in other to support the one-stop career system. To support the delivery of integrated services, Puerto Rico will continue to encourage local areas to develop financial and non-financial agreements and emphasize the importance of involving the Right to Employment Administration, which is the state agency responsible for the administration of Wagner Peyser, Unemployment Insurance, Veterans Employment Programs and Trade Adjustment, in the workforce investment system.

Local One-Stop partnership will be working with the local government and public institutions to invest in the development of facilities to house One-Stop operations. The local elected officials will view this unified approach to the workforce investment system as a benefit to the entire community. The partners within the Local One-Stop system will act as “brokers” whose agencies can accumulate funds from a variety of federal, state, and private foundation source to support the implementation of the One-Stop center’s customers by the availability of local government and private foundation funds.

Puerto Rico will emphasize the importance of providing a wide range of One-Stop services to small businesses to support their workforce needs as well as their creation, sustainability and growth. Small businesses in the Island are having an uphill battle with the large mega-companies and are in need of guidance and assistance. Initially, the One Stop system was only focusing on delivering service to job seeker and forgetting the needs of our other customer - *the employer*. Puerto Rico will require that the One-Stop centers provide universal employer services that include the following:

- ✓ Labor exchange services, such as job listings, job matching, job development, applicant recruitment, applicant screening and referral.
- ✓ Information about and referral to economic development services and other government funded programs to assist qualifying firms in hiring or training workers
- ✓ Access to skill-based job-seeker pool for review
- ✓ Information relevant to business need, including labor market information and information about regulations for government programs
- ✓ Business management and consulting services
- ✓ Seminars on topics of interest to local employers

Coordinating the delivery of employer services is crucial and the One-Stop system will make sure that employers are aware of the range of services available to them. The state as well as the local areas will continue to develop a variety of consolidated marketing, information, and referral mechanism that will divulge available services through the workforce investment system.

B. What strategies are in place to address the national strategic direction discussed in Part I of this guidance, the Governor’s priorities, and the workforce development issues identified through the analysis of the State’s economy and labor market? (§112(b) (4) (D), 112(a).)

Infrastructure Investments

The Island has spent billions of dollars to insure a world-class infrastructure that includes:

- a. 100% digital switching telecommunications network
- b. 4,600km of fiber optic cable creating 12 self-healing rings
- c. 92 satellites connect Puerto Rico with the world
- d. 7th busiest container port in the Western Hemisphere, in San Juan
- e. 40 shipping lines provide service to 80 domestic (U.S.) and foreign ports
- f. International and regional airports with some 4,300 cargo flights per month
- g. A system of highways and superhighways insure that no location is more than 2 hours from an airport or seaport.
- h. 5,359mw of diversified electrical generating capacity C

Puerto Rico is the lowest cost gateway to the most lucrative life sciences market in the world. Here industries can enjoy the benefits of operating within a U.S. jurisdiction, with the added tax benefits of operating under a foreign tax structure. Puerto Rico’s value proposition offers an unparalleled combination of both financial and operational advantages that include:

- a. No U.S. federal income tax
- b. A local corporate income tax rate of 7% - 2%
- c. U.S. dollar and banking system
- d. U.S. legal system including intellectual property protection
- e. U.S. customs area and easy access to U.S. mainland markets

- f. Puerto Rico also has a full range of suppliers providing everything from packaging and labels, to validation.
- g. PRIDCO (Puerto Rico Industrial Development Company) is the agency of the Commonwealth of Puerto Rico tasked with assisting companies to set up operations on the Island. In addition to “fast tracking” permits and other documents necessary to operate, PRIDCO is the largest owner of industrial real estate on the Island, with some 25 million square feet, of which 1.5 million is available for rental.

Competitive Clusters: Economies of Agglomeration

One of the Government of Puerto Rico economic strategies is the retention and promotion of high technology, high growth, and high wages industries.

For creating high-value jobs and economic activity, Puerto Rico developed a strategy, and visionary, and much more sophisticated approach to attracting and retaining future industry: the Cluster Strategy.

- “Clusters are an interdependent concentration of companies in a geographic region connected by the products they produce, their suppliers, trade associations and the educational institutions that supply the knowledge workers to run them. It is important to note that Industry Clusters are centered on companies that bring money into the area, who support many local industries and sell outside the local, state, or even national market. These are the exporters who drive regional or state economies”. (*Michael Porter, Harvard Business School*).

Clusters are dynamic entities that may change as external conditions change around them, or the industries within them change. They require the dedicated cooperation of business, government and academia.

To insure its position as one of the premier manufacturing locations in the world and facilitate its further development, Puerto Rico has identified its top five industry groups or clusters:

- Pharmaceutical
- Medical Devices
- Biotechnology
- Electronics
- Contact Centers

Identifying industry clusters has the following advantages:

- Suppliers are enhanced – There is more specialization, more competition and an economy of scale is developed.
- Knowledge spillovers – There are more opportunities to seek experts in various areas or share knowledge in specific areas.
- Reduced transaction costs – Common protocols and language for the industry are created.

Port of America

See Section V(C)

C. Based on the State’s economic and labor market analysis, what strategies has the State implemented or plans to implement to identify and target industries and occupations within the State that are high growth, high demand, and vital to the State’s economy? (§112(a), 112(b) (4) (A).) The State may want to consider:

- **Industries projected to add a substantial number of new jobs to the economy; or**

See Section IV(D)

- **Industries that have a significant impact on the overall economy; or**

See Section IV(D)

- **Industries that impact the growth of other industries; or**

See Clusters Information in Section V(B).

- **Industries that are being transformed by technology and innovation that require new skill sets for workers; or**

Pharmaceutical industry is one of the largest industrial sectors in Puerto Rico with 65 manufacturing plants, more than 30,000 direct employees, and outbound shipments of pharmaceutical products reaching the \$28 billion mark in FY 2001. The industry in Puerto Rico is proud of the fact that 25% of all pharmaceutical products manufactured in the U.S. are shipped from Puerto Rico and 16 of the top 20 selling prescription drugs in the U.S. are produced on the Island.

More than 25% of Puerto Rico's manufacturing workforce of 120,000 is employed in pharmaceutical industry, and the average wage of production workers in pharmaceutical industry is among the highest in Puerto Rico. In addition, an estimated 90,000 additional jobs in Puerto Rico support the pharmaceutical industry. This includes businesses that provide manufacturing components, food services, engineering, medical and legal services, banking services, insurance, transportation, communication, tourism and others. Clearly, manufacturing industry is key to Puerto Rico's economy.

While there are already initiatives between the business sector and academia in Puerto Rico, there may be opportunity for additional cooperation between the workforce investment system and industry employers, especially for non-professional workers. Preliminary research indicates that the following occupations, which require less than a Bachelor's degree, and in many cases require only a high school education and extensive on-the-job training, may be included:

- ◆ First line supervisors/managers of production and operating workers

- ◆ Chemical technician
- ◆ Chemical equipment operators and tenders
- ◆ Biological technicians
- ◆ Inspectors, testers, sorters, samplers and weighers
- ◆ Mixing and blending machine setters, operators, and tenders
- ◆ Packaging and filling machine operators and tenders
- ◆ Team assemblers

The goal for involvement with pharmaceutical and related industry would be to preserve good jobs and ensure a “pipeline” of skilled workers for the industry.

- **Industries that new and emerging and are expected to grow.**

Puerto Rico Transshipment Port of the Americas

The Puerto Rico Transshipment Port of America is one of the leading strategic economic development and infrastructure projects being promoted by the Commonwealth of Puerto Rico. The Port is in the process of developing world-class port installations in Ponce, which is located in the southern part of Puerto Rico. By 2006, the Port will be receiving marine cargo and facilitating its transshipment or export to markets in the Caribbean, South America, Central America, United States and Europe. The import of goods destined for value-added activities in the extensive Free Trade Zone adjacent to the Port will also feed transshipment and/or export activity. Once the goods are manufactured or packaged, the products will again be transported to the Port for export to international markets.

It is designed to broaden the island's participation in the global economy while strengthening and expanding the manufacturing capacity of Puerto

Rico in a number of industries requiring precision and quality. In addition, the Port proposes to enhance Puerto Rico's distribution and logistics capabilities.

The Port's development will go hand in hand with the opening of modern industrial parks (Caribe Business Parks) that will be built in close proximity and will operate in an expanded Free Trade Zone. These parks will promote value-added activities for export. Puerto Rico's central geographical location, its economic and political stability, its level of economic development and strong infrastructure are some of the competitive advantages on which the Port is being built.

Transshipment usually involves value-added activities which modify the form, usability, type, technology or packaging of the goods in transit. It may involve simple packaging and/or labeling, consolidation or deconsolidation, technology addition (software, etc), assembly, reconstruction, customizing and other production activities. It may also foster development of parts manufacture for installation or various other related activities.

- Electronic appliance/computer assembly
- Automotive part and component manufacturing and supply chain activities to support Caribbean, Central and South American assembly plants
- Food processing and packaging
- Biotechnological processing of food, feed and medications
- Heavy equipment assembly and construction
- Energy efficiency equipment assembly
- Water processing, treatment and recovery equipment

- Logistic center activities supply chain management

The value added activities should generate significant high wage employment opportunities, attract large-scale investment and assure long-term relationships and commitments.

High Technology, High Grow Industries

See Pharmaceutical, Biotechnology and Medical Device Industries in Section IV(D)

Puerto Rico Convention Center.

The Puerto Rico Convention Center is certain to make Puerto Rico the meetings hub of the Americas. It will create a singular destination for conventions, tradeshows, consumer shows and conferences fostering competition in North America, Latin America and Caribbean convention markets.

The Puerto Rico Convention Center will be a new business and tourism destination planned as a lively area with attractions and activities for conventioners, tourists and residents of Puerto Rico.

1. Over 580,000 sq. ft. (53,882 sq. m.) on a 113-acre site
2. A 158,000 sq. ft. (14,678 sq. m.) exhibit hall
3. Meeting space -- 40,000 sq. ft. (3,716 sq. m.) with 12 rooms on two levels that subdivide into 25 sections
4. Largest ballroom in the Caribbean -- 40,000 sq. ft. (3,716 sq. m.)
5. 239,000 sq. ft. (22,203 sq. m.) support service and the administration of over 950 parking spaces adjacent to the building

The Center will surround itself within a unique village of hotels and an entertainment complex with shops, restaurants, offices and residences

thereby enabling visitors to experience the distinctiveness, vibrancy and uniqueness of Puerto Rico

Caribbean Cardiovascular Center

The establishment of the Cardiovascular Center of Puerto Rico and the Caribbean responds to the need for Puerto Rico to have a hospital institution dedicated exclusively to offering the best cardiovascular care for all the residents of the island and neighboring countries.

- D. What strategies are in place to promote and develop ongoing and sustained strategic partnerships that include business and industry, economic development, the public workforce system, and education partners (K-12, community colleges, and others) for the purpose of continuously identifying workforce challenges and developing solutions to targeted industries' workforce challenges? (§112(b) (8).)**

See Industrial Cluster Project in Section III (C)(4).

- E. What State strategies are in place to ensure that sufficient system resources are being spent to support training of individuals in high growth/high demand industries? (§112(b) (17) (A) (i), and 112(b) (4) (A).)**

See Industrial Cluster Project in Section III (C)(4).

- F. What workforce strategies does the State have to support the creation, sustainability, and growth of small businesses and support for the workforce needs of small businesses as part of the State's economic strategy? (§§112(b) (4) (A) and 112(b) (17) (A) (i).)**

See Section I(D) Governor Development Strategies.

- G. How are the funds reserved for Statewide activities used to incent the entities that make up the State's workforce system at the State and local levels to achieve the Governor's vision and address the national strategic direction identified in Part I of this guidance? (§112(a).)**

Strategies for Innovated Service Plans

Innovative services will be offered through the creation of special projects using State Reserve Funds from the Workforce Investment Act and Local Area surpluses monies. These projects will be developed in collaboration with private

non-profit, for profit organizations, and community based organizations which are the ones feasible for funding adjudication.

A new strategy developed by the Special Project Unit, in order to maximize the resources available, is through the creation of new guidelines of the standards and procedures to be followed by the interested service providers during the proposal presentation process. The guidelines purpose is to establish a process of uniformed and objective competition that will permit the selection of the eligible qualified entities which are best prepared to utilize the funds in an innovative way in accordance with WIA requirements.

The proposals presented should comply with the specifications necessary to meet the programs objectives. The establishment of objective evaluation criteria will allow a rapidly systematic process of evaluation that will assure and facilitate the approval or denial of the project within a reasonable time period.

It is indispensable to offer services that meet the needs of the population. Local job demands will be taken in consideration for the purpose of offering real alternatives to the public. Furthermore, funds will be used to promote and move forward the government plan in order to pay the utmost attention to the two main priorities identified by the Governor to develop the local economy. We will establish, as a strategy, that all submitted proposals covering these priorities, as described on the following categories, will receive a higher mark in their evaluation. These are:

- **Creation of Small and Medium Size Business** – Employment through business creation or business expansion. Jobs to promote exportation and foreign multinational subcontractors.
- **Science and Technology** – Employment of high technology, development of research, biotechnology, biomolecular science and/or food technology.

Through the development of this competition process, the selection of those innovative proposals will assure quality of services based on the providers originality and experience in serving the targeted population.

Following WIA guidelines, it is essential to ensure that private and public agencies will promote innovating programs to satisfy the special training and vocational needs of the population highly at risk to live under poverty levels

Nontraditional Employment

The Commonwealth's policies encourage state agencies to provide quality services to all citizens, targeting those with special needs. Taking this into consideration, the Special Project Unit of the Human Resources and Occupational Development Council, will create, develop and implement island-wide projects that will provide pre-employment skills training, job developing services, on-the-job training and counseling, vocational guidance, job placement, job coaching, employment retention services and follow-up in nontraditional settings to qualified participants. These innovative projects are targeted to steer and implement the Government Economic Plan.

During the next two years, Puerto Rico will use State Reserve Funds from the Workforce Investment Act, to offer Nontraditional Training to the following sectors:

- Displaced Homemakers
- Older Workers (over 55 years of age)
- Persons with Disabilities
- Youth
- Offenders

H. Describe the State's strategies to promote collaboration between the public workforce system, education, human services, juvenile justice, and others to better serve youth that are most in need and have significant barriers to employment, and to successfully connect them to education and training opportunities that lead to successful employment. (§112(b) (18) (A).)

See previous Section.

I. Describe the State’s strategies to identify State laws, regulations, policies that impede successful achievement of workforce development goals and strategies to change or modify them. (§112(b) (2).)

As a strategy to identify possible State laws, regulations, policies that impede successful achievement of workforce development goals and strategies, the Legal Division of the HRODC has appointed a legal technician who continuously evaluates conflicting laws and regulations. There are two possible alternatives to change or modify these conflicts:

- The Federal law will prevail over the State law
- Unravel the possible conflict through the established legislative procedure

The Legal Division of the HRODC will developed the required procedures to address legal issues impeding the successful attainment of the workforce development goals.

J. Describe how the State will take advantage of the flexibility provisions in WIA for waivers and the option to obtain approval as a workflex State pursuant to § 189(i) and §192.

The State will take advantage of the flexibility provisions in WIA for waivers. Theses waivers grant states flexibility in program design for seamless program delivery and improved customer services, in exchange for accountability and agreed – to programmatic outcomes. The following are provisions the Puerto Rico Commonwealth is requesting authority to waive:

- 20% limitation to transfer program year allocation for dislocated workers and adult employment and training programs
- Extension of waiver of customized training: 50% employer match requirement.
- Waiver to eliminate self-sufficiency criteria for training employed workers.

- Revision for use of ITA's for youth.

The approval of these waivers would provide flexibility in our goal to expend fund to provide appropriate services to our clientele and meet our labor market needs. In addition, the one-stop delivery system will be more attractive to our employers in satisfying their human resources needs.

VI. Describe major State policies and requirements that have been established to direct and support the development of a statewide workforce investment system not described elsewhere in this Plan as outlined below. (§112(b) (2).)

- A. What State policies and systems are in place to support common data collection and reporting processes, information management, integrated service delivery, and performance management? (§§111(d) (2) and 112(b) (8) (B).)**

Workforce Investment Act Client Administration System (SACWIA, for its Spanish acronym) –

The HRODC has developed a reporting system, in consultation with the local areas from the Commonwealth to report participant and performance outcome data. This report is in accordance with The Workforce Investment Act Standardized Record Data (WIASRD) and instructions issued by USDOL in the TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 14-00. Based on Workforce Investment Act of 1998 (WIA), section 185(d)(2) and 188; 20 CFR Part 667.300(d), (e)(1)(2) of the WIA Final Rules (published at 65 FR 49429, Aug 11, 2000); Planning Guidance and Instructions for Submission of the Strategic Five-Year Plan for Title I of WIA and the Wagner-Peyser Act; WIA: Final Unified Planning Guidance; Training and Employment Information Notice (TEIN) No. 9-00, Submission to OMB of WIA Performance Reporting Packet; Notice of Office of Management and Budget (OMB) Action No. 1205-0420, dated March 1, 2001.

The (HRODC) has been working to expedite the electronic reporting capability for the local areas. Requirements are limited to those established in the Act, those required for compliance with Equal Opportunity (EO) regulations, and a few items necessary for supervision and management purposes. The Executive Director of the HRODC is compelled to ensure that all elements of the information required for reports be defined and reported in a uniform manner. Hence, each Local Board and recipient must maintain comparable management information systems to facilitate uniformity in reporting.

Local areas are required to maintain this collection of individual records containing activity and outcome information for each participant. The WIASRD is the foundation for the quarterly and annual reports. These records are due by December 1st following the end of each program year.

Information about an individual and their WIA title I-B experiences is used to:

- i. Share program results with consumers, taxpayers, Congress and others with an interest in the program;
- ii. Compare results among WIA title I-B service providers, local areas and with other federally funded programs; and
- iii. Evaluate and continuously improve services.

This information is required by WIA. It is confidential and protected by all applicable privacy rules. A record is developed for dislocated workers and adults served by the program except for individuals receiving only self-service or informational activities. An individual record is required for each individual served using youth funds. Credit for services and outcomes provided by WIA title I-B services are reported. Services and outcomes obtained through program partners during the participation and performance outcome periods may be reported.

MIP Accounting Program

The HRODC also has established a uniform accounting system based upon the MIP Advantage Accounting Program by Best Software. Through this program the HRODC as implemented a standard chart of accounts for all local areas which complies with the WIA services categories. In addition, uniform reporting set-ups have been created and technical assistance and training is provided to the user of the system.

State Unit for Dislocated Workers and Employers Profile

The State Unit for Dislocated Workers and Employers (UETDP for its Spanish acronym), developed a profile to know the characteristics of the dislocated worker and deliver services in response to their needs. The profile is completed in the first rapid response activity and is stored in a database that allows reporting. The database is used to develop list according to the needs, interest, and services requested by the dislocated worker. A training handbook was developed for the system. The UETDP developed a mechanism to provide follow-up calls to the dislocated workers, the information obtained from the calls allows the monthly update of the Labor Status for the Dislocated Workers Report.

B. What State policies are in place to promote universal access and consistency of service Statewide? (§112(b)(2).)

See Section IX (A)(3).

C. What policies support a demand-driven approach, as described in Part I. “Demand-driven Workforce Investment System”, to workforce development – such as training on the economy and labor market data for local Board and One-Stop Career Center staff? (§§ 112(b)(4) and 112(b)(17)(A)(iv).)

State Board Vision and Priorities

The Puerto Rico State Board has recognized the need to provide more and better services to employers and at the same time offer more effective services to members of the workforce. A promising method for accomplishing this goal is to undertake industry-specific or sectoral and demand-driven approaches to workforce development.

These approaches are designed to achieve the following outcomes:

- Develop workers’ skills in demand occupations based on industry need.
- Offer career-enhancing opportunities for workers in high growth occupations.

- Expand the capacity of the workforce development system to contribute to workforce quality, enhanced productivity and economic competitiveness

Key steps for implementing these approaches include:

- The heart of these particular demand-driven and industry-focused approaches would be on jobs within these industries that require less than a Bachelor's degree. All of the industry sectors recommended for participation have many occupations that require a high school diploma, on-the-job training, or technical degrees below a Bachelor's degree.
- Implementation of a funding mechanism to encourage maximum competition for industry-based program operators. This competitive process should be open to all types of organizations, public, and private non-profit and private for profit.

Such demand-driven and sectoral workforce development programs attempt to bring advantages both to job seekers and to industry competitiveness by focusing on a defined set of related occupations.

- On the job seeker side, training is customized to specific industry needs and updated frequently. Working closely with industry, programs can see training from the employer's perspective. In this way, they can design realistic, hands-on training that simulates a work environment.
- On the employer side, the approach provides a better supply of workers with skills needed by the industry. It also allows employers to understand more about the employee perspective, and often leads to resolution of difficult issues and development of win/win solutions.

- D. What policies are in place to ensure that the resources available through the Federal and/or State apprenticeship programs and the Job Corps are fully integrated with the State's One-Stop delivery system? (§112) (b) (17) (A) (iv).)**

Currently Puerto Rico is not development training activities through apprenticeship programs. However, through development of public policy the State Board will open the opportunities for its development.

VII. Describe the actions the State has taken to ensure an integrated One-Stop service delivery system Statewide. (§§112(b) (14) and 121).)

- A. What State policies and procedures are in place to ensure the quality of service delivery through One-Stop Centers such as development of minimum guidelines for operating comprehensive One-Stop Centers, competencies for One-Stop Career Center staff or development of a certification process for One-Stop Centers? (§112(b)(14).)**

According to section (112)(b)(14), the strategy developed by the State and which will maintain in view of the results obtain, was the creation of the Liaison Unit with the Local Areas whose duties are to provide technical assistance to the Local Workforce Investment Areas in the implementation and operation of the One Stop Centers. In order to insure the quality of service in the One Stop Centers, a validation process was carried out whereby the physical facilities and services provided by the One-Stop partners were evaluated. Presently, the State is developing a procedure for the certification of the One-Stop Center, a responsibility which belongs to the Local Boards. This procedure will be given to the Local Boards, as a public policy developed by the State in order to fulfill the certification of the One-Stop Center.

- B. What policies or guidance has the State issued to support maximum integration of service delivery through the One-Stop delivery system for both business customers and individual customers? (§112(b)(14).)**

The HRODC through the Liaison Unit with Local Areas promotes the integration of services in the One-Stop Centers for individuals and employers. The integration is developed by the promotion of the services through job fairs and media communications. Through the participation of the State in activities

developed by entities involving the private sector and businessmen such as the Association of Industries, Chamber of Commerce and the United Retail Center, the HRODC has participated and provided information regarding the opportunities and services available in the One- Stop Center. In addition, local promotional activities to community and cultural organizations are held periodically. These strategies will be the ones that will continue in order to maintain and strengthen the One-Stop Service System for our private sector customers as well as our individual customers.

C. What actions has the State take to promote identifying One-Stop infrastructure costs and developing models or strategies for local use that support integration? (§112(b)(14).)

Technical assistance is provided by the HRODC to Local Areas, Local Boards, and Mandatory Partners to establish criteria for the identification of economic resources for infrastructure costs. The technical assistance guide “One Stop Comprehensive Financial Management Technical Assistance Guide” has been distributed to the One-Stop Centers operators in order to assist in the development and implementation of the Distribution of Operational Cost Plan.

D. How does the State use the funds reserved for Statewide activities pursuant to §129(b)(2)(B) and 134(a)(2)(B)(v) to assist in the establishment and operation of One-Stop delivery systems? (§112(b)(14).)

The funds reserved for a statewide activity has been utilized to provide training and employment activities required by the State as established in Section 134 of WIA. A portion of these funds have been used to provide technical assistance and capacity building to the local areas in the establishment and operation of the One-Stop Centers. In this way, the State can assure that within the one-stop delivery system all the program, services and activities necessary are accessible to prepare the customer to enter or return to the labor market. The HRODC issued a guide for the request of such funds by the Local Workforce Investment Areas whereby establishing, considering the specific need of each area, the design, technology and training strategies as the concept for which the HRODC would grant the funds. In addition, with the purpose to assist the local areas assemble or install

the One-Stop Centers with all that is required by the law, the HRODC developed a demonstration project named “*The One-Stop Center Assist You.*” The project simulated an ideal One-Stop Center with all its components. The project, including its operational and organizational concept was presented to the 15 Local Areas. Mandatory partners participated in the demonstration. The employers and general community of the municipalities composing each Local Area were invited to the presentation of the new service delivery system.

E. How does the State ensure the full spectrum of assets in the One-Stop delivery system support human capital solutions for businesses and individual customers broadly? (§112(b)(14).)

In Puerto Rico the One-Stop Centers (OSC) have been promoted as recruitment centers where businesses have the opportunity to identify, interview, and recruit skilled human resources to fill the needs of the business customer. The Local Areas have in their OSC assigned personnel to visit different employers, businesses and industries in the region within the area, whereby they provide information of the benefits that can be obtained by hiring their employees through the OSC. In addition, the employers are informed on the available facilities in the OSC to carry out job interviews for recruitment of personnel necessary for their business. Contacting the candidates and coordinating the interview process is realized by the OSC’s personnel.

Through the monitoring interventions, technical assistance visits and the follow-up provided by personnel from the Liaison Unit, the State can insure that in the One-Stop Centers the services required by Law are being provided to individual customers as well as to the business customers

VIII. Administration and Oversight of Local Workforce Investment System

A. Local Area Designations

- 1. Identify the State's designated local workforce investment areas and the date of the most recent area designation, including whether the State is currently re-designating local areas pursuant to the end of the subsequent designation period for areas designated in the previous State Plan. (§§112(b)(5).)**

Puerto Rico has designated 15 local areas operating without any significant changes, under the grandfathering clause since the implementation of WIA.

The designated local areas are:

Municipality of San Juan	Caguas-Guayama Consortium
Municipality of Carolina	Bayamón-Comerío Consortium
Municipality of Ponce	Guaynabo-Toa Baja Consortium
Northeast Consortium	North central-Arecibo Consortium
Southeast consortium	Dorado-Manatí Consortium
Northwest Consortium	Mayagüez-Las Marías Consortium
Southwest Consortium	South central-Salinas Consortuim
La Montaña Consortium	

It is possible, as a result of the WIA reauthorization and to maximize the uses of funds, that the State may review the designation of the local areas during the two year term of the Plan.

- 2. Include a description of the process used to designate such areas. Describe how the State considered the extent to which such local areas are consistent with labor market areas: geographic areas served by local and intermediate education agencies, post-secondary education institutions and area vocational schools; and all other criteria identified in section 116(a)(1) in establishing area boundaries, to assure coordinated planning. Describe the State Board's role, including all recommendations made on local designation requests pursuant to section 116(a)(4). (§§112(b)(5) and 116(a)(1).)**

The required laws and regulations are considered in the designation of the local areas. The local areas are programmatic areas of determined geographic or demographic pattern for the development of the labor force,

designated by the Governor in accordance to section 116 (a) of WIA. The State Board, Chief Elected Officials and public comments are consulted or evaluated in the designation of the local areas. Also analyze in the designation of the local areas are the accessibility of services provided by local educational organizations, post-secondary and vocational institutions in the area and; the consistency of the area with the labor market and the occupational demand of the designated local area where the geographic composition allow easy private or public access to the services.

3. Describe the appeals process used by the State to hear appeals of local area designations referred to in §112 (b)(5) and 116(a)(5).

The appeals process referenced in section 116 is directed to the obligation of establishing an appeals mechanism before the State Board in the State Plan, in the event that the Governor does not certify as a local area, a unit of general local government, if said unit complies with the criteria established in section 116 (a) (2) of WIA for an automatic designation or because it was recommended by the State Board.

Also the quoted section disposes that if after appealing the Governor's decision the unit of local government is not certified, this unit may request a revision before the Secretary of the United States Department of Labor.

B. Local Workforce Investment Boards -- Identify the criteria the State has established to be used by the chief elected official(s) in the local areas for the appointment of local board members based on the requirements of section 117. (§§112(b)(6), 117(b).)

The State has established criteria's for the nomination and appointment of members for the Local Workforce Investment Area. It is contained in our Administrative Memorandum 01-2003. The Mayor, in the case where the local area is made up of just one municipality, should request nominations from the entities which represent the sectors that compose the Local Board.

In the case of Consortium, which is compose of more than one municipality, the Mayors should establish an agreement where a method could be determine

whereby each Mayor would have the right to recommend the appointments from the persons nominated. If an agreement is not in place, the Governor will proceed to appoint the member from those nominated. The nominees should represent business, employers, employees authorized to formulate public policy or hire, representative with employment opportunities or individual nominated by local business organization and business trade association and other such members would be individuals with optimum policy-making authority within the organizations, agencies and entities.

As required by the State Policy, all of the appointments would be for a fixed term of no more than four (4) years. The duration of the appointment would be determined by the Chief Elected Official or the Board of Mayors for the type of membership of the represented sector. No more than half of the appointments can be expired at the same time. The appointments to substitute vacancies will follow the procedure established for the original appointments. Nonetheless, the Chief Elected Official or the Board of Mayors, at their discretion and with intention for the better interest of the local area can redesignate with a new appointment to those duty constituted whose term has expired (a maximum of two (2) terms) without having to go through the nomination process as indicated Section 117 (c) (2) of WIA establishes that the Governor shall certify once every two (2) years one Local Board for each local area in the State. The certification of the Local Boards in Puerto Rico expires on August of 2005 with the exception of the North Central-Arecibo Consortium which expires on August of 2006.

C. How will your State build the capacity of Local Boards to develop and manage high performing local workforce investment system? (§§111(d)(2) and 112(b)(14).)

The HRODC through the Liaison Unit offer technical assistance to the Local Areas and Local Boards to insure the implementation of WIA. In this way all the needed training and employment services for our youth, adult and dislocated workers would be available in the One-Stop Centers and also assist the Local

Board in meeting their performance measures established by the federal government.

The required compliance are established in the HRODC's administrative memorandum WIA 01-2003 of June 30, 2003, entitled Procedure of Certification and Recertification of the Local Workforce Investment Boards under WIA. With this purpose in mind, our coordination officers for the month of April of 2005, initiated technical assistance visits to the local areas to insure compliance with all the requirements established by WIA, applicable regulation and the Administration Memorandum regarding the work plan for each Program Years.

D. Local Planning Process -- Describe the State mandated requirements for local workforce areas' strategic planning. What assistance does the State provide to local areas to facilitate this process, (112(b)(2) and 20 CFR 661.350(a)(13).) including:

1. What oversight of the local planning process is provided, including receipt and review of plans and negotiation of performance agreements? and ;

Local plans are revised in accordance with section 118(b) of WIA and 661.350 of the Regulations. The plan submitted by the Local Areas to the (HRODC), must be evaluated for approval not later than 90 days of its submittal. However, this approval time might be extended if the Plan does not meet the specifications of WIA Title I, or the Local Areas have not adequately implemented corrective measures to previously identified deficiencies in monitoring and auditing reviews in accordance with section 184 of the Act. A written communication must be sent to the Local Areas notifying the reasons for the delay in the Plan approval.

The HRODC developed a planning guide for the Local Areas, based on the Planning Guidance for the Submission of the Two Years of the Strategic Five-Year State Plan.

The HRODC held a meeting with all the Local Areas discussing the planning guide and submission requirements. In this meeting, the HRODC provided

the Local Areas several planning instruments such as the instructions on how to develop an occupational demand table for their municipality using the information of the Bureau of Labor Statistics. In addition, they were provided with the instructions to connect electronically to the O'NET page, where they can find the information to determine the necessary skills and education for the occupations in demand. In this way, they can standardized their local planning to the state planning.

2. How does the local plan approval process ensure that local plans are consistent with State performance goals and State strategic direction?

The Plan is evaluated in terms of its scope, and its relation with the state goals and objectives. These are revised to determined consistency with those established by the State. Once reviewed, recommendations are made and changes are requested to insure performance and adequacy of the investment.

The HRODC contracted a private consulting company to develop a Market Demand Study containing among others, occupations in demand projections for each local area. As a planning tool, a copy of the study was delivered to each area.

If the plan is not approved, the state will forward a report to the local areas stating the reasons for the refusal and indicate additional information or actions needed for its approval.

The plan revision insures for compliance with all the required elements of the Law and federal regulations to satisfy the needs of customers and employers.

The information requested in the Plan includes:

- Population characteristics analysis
- Present employment opportunities
- Short term projections by occupation and industry

- Job opportunities oriented to high growth occupations by industrial sector and occupational composition of the local area
- Major industry composition and economic development trends for the local area
- Strategies of the local area to satisfy the needs of the employers, job seekers, and workers.
- Description of the One Stop System, including:
 - How the Local Board ensures the continuous improvement of the eligible service providers and make sure that they satisfy the employment needs of the local employers and the participants
 - Memorandums of Understanding with each mandatory partner represented in the One-Stop Center
 - The local area must describe and evaluate training and employment activities available to adults and dislocated workers, including a description of the Individual Training Accounts (ITA's) system.
 - The process to guarantee that the exceptions to the ITA's approvals are justified under the section 134(d) (4) (G) and 20 CFR 663.430.
 - Description of how the Local Board will coordinate the local rapid response activities with the state activities.
- Description and evaluation of the type and availability of youth activities in the local area, including:
 - Identification of successful service providers of the activities.

- A description of the process followed by the Local Board to receive public comments and opinions, including business representatives and labor organizations previous to the presentation of the plan
 - Identification of the fiscal agent or responsible entity for the disbursement of funds
- The local area must describe the competitive process to assign the allocation funds and contracts for the activities conducted under Title I of WIA including:
- Process for obtaining training services other than ITAs
 - If funds assigned to local areas for adult training and employment activities are insufficient, description of the criteria used by the Local Board to establish priority of services in the One Stop Center.
- The local area must make a comprehensive evaluation of the activities and services available for the displaced workers from domestic labors and economically disadvantage individuals. The local area must include in their plan a description of nontraditional training activities to be developed.

The local plan must include the performance goals that the local area intends to reach. During the plan revision, the HRODC, and the local area must evaluate and negotiate the performance standards. The local area must present evidence that sustain its proposed performance goals.

The plan revision process includes the evaluation of the Budget Information Summary (BIS), which includes the distribution of the cost of the activities that the local area intends to develop. The first step of the evaluation determines if the proposed budget is in agreement with the program

allocation. In addition, the administrative and program costs objectives should not exceed the allowable costs, and all proposed activities are allowable.

3. Plan Modifications

- The local areas may need to amend their plan in any moment of the program year. The local areas or sub grantees may present modifications when one or more of these conditions are present:
- Changes that represent more than 10% of the approved budget
- Additional funds allotments
- Request for authorization to buy equipment that affects the approved budget
- Re-programming of funds
- Transfer funds between programs

E. Regional Planning

Currently there is no regional planning between the local Areas of Puerto Rico.

F. Allocation Formulas

- 1. If applicable, describe the methods and factors (including weights assigned to each factor) your State will use to distribute funds to local areas for the 30% discretionary formula adult employment and training funds and youth funds pursuant to §§ 128(b)(3)(B) and 133(b)(3)(B).**

As permitted under WIA sections 128(b)(3)(B) and 133(b)(3)(B) the HRODC developed allocation formulas for the distribution of funds for adult employment and training activities and youth activities to local areas. Following the distribution formulas for the programs;

The Governor elects to distribute funds in accordance with the allocation formula as follows:

- 33 1/3 percent on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each workforce

investment area, compared to the total number of unemployed individuals in all areas of substantial unemployment in the State;

- 33 1/3 percent on the basis of the relative excess number of unemployed individuals in each workforce investment area, compared to the total excess number of unemployed individuals in the State; and
- 33 1/3 percent on the basis of the relative number of disadvantaged youth in each workforce investment area, compared to the total number of disadvantaged youth in the State. (WIA sec. 128(b)(2)(A)(i))

Total allocation Youths (100%)	\$39,354,999
Statewide activities (15%)	5,903,250
Total allocation Under Youths (85%)	\$33,451,749
Relative Distribution	100.0%
WIA Sec. 128(b)(2)(A)(I)(I)	
Number of Unemployed Individuals	167,100
Relative Number	100.0%
33% of Allocation Under WIA youth	\$11,150,583
WIA Sec. 128(b)(2)(A)(I)(II)	
Civilian Labor Force	1,392,680
4.5% of the Civilian Labor Force	62,671
Number of Unemployed Individuals	167,100
Excess Number	104,429
Relative Excess Number	100.0%
33% of Allocation Under WIA youth	\$11,150,583
WIA Sec. 128(b)(2)(A)(I)(II)	
Economically Disadvantaged Youths	241,593
Relative Number	100.0%
33% of Allocation Under WIA youth	\$11,150,583

2. Describe how the allocation methods and factors help ensure that funds are distributed equitably throughout the State and that there will be no significant shifts in funding levels to a local area on a year-to-year basis.

The Governor allocate WIA formula funds allotted for services to youth, adults and dislocated workers in accordance with WIA sections 128 and 133, and this section. The State Board assists the HRODC in the development of any discretionary within-State allocation formulas. (WIA sec. 111(d)(5).) Within-State allocations is made in accordance with the allocation formulas

contained in WIA sections 128(b) and 133(b) and in the State workforce investment plan, and after consultation with chief elected officials in each of the workforce investment areas.

Of the WIA formula funds allotted for services to youth, adults and dislocated workers, the Governor reserve funds from each of these sources for Statewide workforce investment activities. In making these reservations, the Governor reserve up to fifteen (15) percent from each of these sources. Funds reserved under this paragraph are combined and spent on Statewide employment and training activities, for adults and dislocated workers, and Statewide youth activities, as described in 20 CFR 665.200 and 665.210, without regard to the funding source of the reserved funds. The Governor reserve a portion of the dislocated worker funds for Statewide rapid response activities, as described in WIA section 134(a)(2)(A) and 20 CFR 665.310 through 665.330. In making this reservation, the Governor reserve up to twenty-five (25) percent of the dislocated worker funds.

Adult formula

The Governor elects to distribute funds in accordance with the allocation formula as follows:

- 33 $\frac{1}{3}$ percent on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each workforce investment area, compared to the total number of unemployed individuals in areas of substantial unemployment in the State;
- 33 $\frac{1}{3}$ percent on the basis of the relative excess number of unemployed individuals in each workforce investment area, compared to the total excess number of unemployed individuals in the State; and
- 33 $\frac{1}{3}$ percent on the basis of the relative number of disadvantaged adults in each workforce investment area, compared to the total number of disadvantaged adults in the State. (WIA sec. 133(b)(2)(A)(i))

Total allocation (100%)	37,679,993
Statewide activities	5,651,999
Local Areas	\$32,027,994
Relative Distribution	100.0%
Section 133(b)(2)(A)(i)(I)	
Number of Unemployed Individuals	167,100
Relative Number	100.0%
33% of Allocation Under 85%	\$10,675,998
Section 133(b)(2)(A)(i)(II)	
Civilian Labor Force	1,392,680
4.5% of the Civilian Labor Force	62,671
Number of Unemployed Individuals	167,100
Excess Number	104,429
Relative Excess Number	100.0%
33% of Allocation Under 85%	\$10,675,998
Section 133(b)(2)(A)(i)(II)	
Economically Disadvantaged Adults	975,745
Relative Number	100.0%
33% of Allocation Under 85%	\$10,675,998

3. Describe the State's allocation formula for dislocated worker funds under §133(b)(2)(B).

The Governor elects to distribute funds in accordance with the allocation formula as follows;

- Insured unemployment data,
- Unemployment concentrations,
- Plant closings and mass layoff data,
- Declining industries data,
- Farmer-rancher economic hardship data, and
- Long-term unemployment data.

Total Allocation (100%)	\$30,525,711
Allocation Under WIA (for Statewide Activities) - 40%	\$12,210,284
Allocation Under WIA (for Local Areas) - 60%	\$18,315,427
Relative Distribution	100%
WIA Sec. 133(b)(2)(B)(ii)	
Number of individual who receive unemployment insurance	37,386
Relative Number	100%
20% of allocation	\$3,663,085
WIA Sec. 133(b)(2)(B)(ii)	
Number of unemployed individuals	167,100
Relative Number	100%
20% of allocation	\$3,663,085
WIA Sec. 133(b)(2)(B)(ii)	
Number of layoff individuals	5,552
Relative Number	100%
20% of allocation	\$3,663,085
WIA Sec. 133(b)(2)(B)(ii)	
Number of Declining Industries	825
Relative Number	100%
15% of allocation	\$2,747,314
WIA Sec. 133(b)(2)(B)(ii)	
Number of Dislocated Farmer/Ranchers	4,384
Relative Number	100%
5% of allocation	\$915,771
WIA Sec. 133(b)(2)(B)(ii)	
Number of long-term unemployed individuals	68,281
Relative Number	100%
20% of allocation	\$3,663,085

4. **Describe how the individuals and entities on the State board were involved in the development of the methods and factors, and how the State consulted with chief elected officials in local areas throughout the State in determining such distribution.**

The State Board decided to apply the formula established in the Workforce Investment Act for fund allocation. The technical staff of the HRODC applies the indicators to the budget allotment and notifies each local area of its share.

G. Provider Selection Policies (§§112(b)(17)(A)(iii), 122, 134(d)(2)(F).)

1. **Identify the policies and procedures, to be applied by local areas, for determining eligibility of local level training providers, how performance information will be used to determine continuing eligibility and the agency responsible for carrying out these activities.**

As required in Section 122 of WIA, the State has developed and established guidelines and policy for the determination of eligibility of providers of training services through the Procedure for the Determination of Eligibility as Provider of Training Services. This procedure established the minimum criteria and guideline, to be used by the Local Board, for the determination of the initial eligibility to provide training services from: a postsecondary educational institution which are eligible to receive Title IV funds from the Higher Education Act of 1962 and offer programs that leads to an associated degree, baccalaureate degree, or certificate, institutions that carries out training program under the National Apprenticeship Act and other public or private institutions licensed to operate occupational training program. (Facilitated by the competent organism or instrument of the Commonwealth of Puerto Rico.) In addition, establishes the procedures and minimum criteria, to be used by the Local Boards, in order to determine the eligibility of the providers to continue receiving funds for training services after the initial eligibility period.

The procedure establishes that the service providers should submit on an annual bases an eligibility application to the Local Boards, in which the provider wanting to provide training services at such time and in such manner

as required, includes information and evidence of the provider complying with State and Federal requirements regarding license to operate and certification of the programs issued by the Council of Higher Education and/or General Council of Education and information regarding the training program, performance information and cost information. Regarding performance, the service providers should show evidence that the programs have fulfilled the retention level of not less than 70% and no less than 65% for job placement. Also they should evidence compliance with the federal minimal salary of those participants' places in employment. With the purpose of standardizing and assuring the fulfillment of the minimum requirements of eligibility of the training program which will form part of the State List of Providers of Training Service.

The State designed and established a mechanize system for the eligibility determination process. This system functions under the client server diagram. It is access through the Internet and possesses public access sections such as the present State List, how it functions and who can utilize the system. Other sections are controlled access like filling out the application, validation of the applications by the Local Boards and afterward the validation by the HRODC. The system developed automatically determines the compliance with the established requirements of the submitted application which will be recommended by the HRODC to be incorporated in the State List. The list of the programs validated by the HRODC is disseminated electronically through the internet site found at www.sacwia.cdorh.org/selep

2. Describe how the State solicited recommendations from local boards and training providers and interested members of the public, including representatives of business and labor organizations, in the development of these policies and procedures.

During the development of the Procedure for the Determination of Eligibility as Provider of Training Services, as well as, the document of requirements for the Mechanize System of Eligibility of the State List of Providers for

Training Services, the State requested directly to the Local Boards and by public notice to the service providers, comments and recommendations to be considered in the procedure. In the process, the conceptualization, design and development of the Mechanize System, the State requested the participation of representatives of Local Boards, service providers, and of the HRODC who contributed their recommendations from the perspective of the sector which they represented.

3. How will the State maintain the State's eligible training provider list?

The State prepares and issues annually to the Local Boards and One-Stop Center the State List of Providers of Training Services, in accordance to the Local List of Training Providers recommended and submitted to the Local Boards. Currently, the State List of Providers of Training Services is prepared and issued through the mechanized process mentioned in Part VIII(G)(1).

4. Describe the procedures the Governor has established for providers of training services to appeal a denial of eligibility by the local board or the designated State agency, a termination of eligibility or other action by the board or agency, or a denial of eligibility by a One-Stop operator. Such procedures must include the opportunity for a hearing and time limits to ensure prompt resolution.

Currently, we use the Procedure for Processing Complaints and Appeals of the Training Service Providers under the Workforce Investment Act of January, 2001. This procedure regulates everything related to complaints and appeals submitted to the HRODC.

5. Describe the competitive and non-competitive processes that will be issued at the State level to award grants and contracts for activities under title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts. (§112(b)(16).)

All contracts and services are awarded through a process which guarantees open competitiveness in accordance with the standards established in Section 97.36 of 29 CFR part 97- Uniform Administrative Requirements for Grants

and Cooperative Agreements to State and Local Governments. The acquisition process that is utilized is: bidding quotation for small purchases (less than \$25,000), formal auctions and request for proposals through public notices. To determine who would be awarded the contract, the auctions and or proposals are evaluated by a committee, giving special consideration to the cost per service, the quality of the personnel providing the service and the previous experience that the proponent has for the services requested.

6. Identify the criteria to be used by local boards in awarding grants for youth activities, including criteria that the Governor and local boards will use to identify effective and ineffective youth activities and providers of such activities. (§112(b)(18)(B).)

The Youth Councils and Local Boards identify the needs of the youth in their geographic area in order to determine and plan the services which will be offered to this population. The representation in the Youth Council of different agencies and entities which attend and offer services to youth, facilitates the planning and implementation of the activities and services which complies with the ten program elements which WIA provides as the design for the activities to be developed by the Local Boards. In addition, the agencies which offers services to youth provides the Local Board the necessary information in the provision of services in order to guarantee the quality of the services providers.

The selection of service providers for youth activities is based on a competitive process in which the selection of the provider is facilitated by using an evaluation system. To identify the quality of the services, the service providers are required to: describe their previous experience in working with disadvantaged youth and post experience with educational, training and employment programs. In addition, they should provide information of their program performance, as well as demonstrate their knowledge of the available resources in the community and connections with community organization, state agencies and employers.

The Youth Councils and Local Boards provide supervision and follow-up in carrying out the goals and objectives of the approved Local Plan and the negotiated performance measures.

H. One-Stop Policies

- 1. Describe how the services provided by each of the required and optional One-Stop partners will be coordinated and made available through the One-Stop system. Include how the State will consolidate Wagner-Peyser Act funds to avoid duplication of core services.(§112(b)(8)(A).)**

Section 121 (b) of WIA establishes the programs and activities that has to be integrated into One-Stop System of the Local Workforce Investment Areas. One of the fundamental principal under which the creation of the One-Stop System is base on is the integration of available program services for the targeted population in the corresponding geographical area. This integration promotes the availability of services in a more accessible form, permitting at the same time to maximize the utilization of available economical resources in order to attend the participant's needs.

The services offered by each of the required and optional partners of the One-Stop Center are contained in the Memorandum of Understanding (MOU). Each MOU should specify the services that the partner will provide to the participants through the OSC and how they would be provide, among other things. Each client visiting a OSC would be evaluated by a case manager, which would establish the action to be followed. In determining the necessities for one or more partners, the customer would be referred to them. All of the OSC should count on the physical or technological presence of the required partners and also count on optional partners that are deem to be beneficial to the population being served within their local area.

- 2. Describe how the State helps local areas identify areas needing improvement and how technical assistance will be provided**

The HRODC, through the Liaison Unit, offers continuous technical assistance to the administrative and operational areas of the fifteen (15) local

areas, including the OSC. On an annual basis, the HRODC evaluates the facilities and the delivery of services of the OSC. For this process, a specific guide is utilized where those areas in need of improvement are identified and direct recommendations are made. Afterward, follow-up is provided to insure the implementation of the recommendation.

3. Identify any additional State mandated One-Stop partners (such as TANF or Food Stamp Employment and Training) and how their programs and services are integrated into the One-Stop Career Centers.

The optional partners who regularly deliver their services in the OSC of the fifteen (15) local areas are the TANF program and the training and employment program of the Nutritional Assistance Program (NAP). These programs are administered by the Department of the Family. The OSC who has the services of these partners should establish an MOU in order to specify which services are being offered.

I. Oversight/Monitoring Process - Describe the monitoring and oversight criteria and procedures the State utilizes to move the system toward the State's vision and achieve the goals identified above, such as the use of mystery shoppers, performance agreements. (§112(b)(14).)

Financial and Operational on-site monitoring are performed annually at each local area. The HRODC developed a Monitoring and Resolution Procedure manual which states the criteria and guidelines for the performance of the annual monitoring.

The monitorings are divided within the followings:

- On-site Operational Monitoring – through this type of visits the HRODC evaluates the compliance with the applicable requirements of the operations of the One Stop Centers, Local Boards composition, EEO, participants eligibility, and procurement procedures, among others. These monitoring visits are performed by personnel of the HRODC's Monitoring and Audit Division.

- On-site Financial Monitoring – through these process the HRODC reviews the fiscal administration systems and compliance with the uniform administrative requirements as required by Section 127 and 132 of WIA. The HRODC request the services of independent CPA firms to perform these monitorings.

As required by OMB Circular A-133 and WIA requirements, the HRODC perform the audit resolution process of the findings included in the Single Audits of local areas and other subrecipients of WIA funds.

J. Grievance Procedures. Attach a copy of the State’s grievance procedures for participants and other affected parties (including service providers.) (§122(g) and 181(cc).)

Grievance procedures are regulated by the Administrative Memorandum WIA-2-2001 (*Attachment 4*). The Memorandum applies to complaints and grievances emerging from violations to WIA, regulations, programs, activities, and agreements in virtue of the Act by part of concessionaires, contractors and interested parties. Also applies to cases related to investigations, monitoring, and revisions.

In addition, Administrative Memorandum WIA-3-2001 is used when a complainant does not receive a determination in the sixty days term after filing a complaint or once received, is not satisfied.

K. Describe the following State policies or procedures that have been developed to facilitate effective local workforce investment systems (§§112(b)(17)(A) and 112 (b)(2),):

1. State guidelines for the selection of One-Stop providers by local boards;

The Local Boards selects the service providers following the eligibility requirements described in Section 122 of WIA and Section 663.500-595 of the regulation. The HRODC established procedures to be utilized by the Local Boards where they can establish the criteria’s and the minimum levels of performance for the determination of initial eligibility for service providers

who are not registered under the Higher Education Act and the National Apprenticeship Act. Also the minimum levels for determines subsequent eligibility were established. Eligible providers of training services submit, at least annually, under procedures established by the HRODC under Sec. 663.535(c):

- a) Verifiable program-specific performance information, including:
 - (1) The information described in WIA section 122(d)(1)(A)(i) for all individuals participating in the programs of training services, including individuals who are not receiving assistance under Section 134 of WIA and individuals who are receiving such assistance; and
 - (2) The information described in WIA section 122(d)(1)(A)(ii) relating only to individuals receiving assistance under the WIA adult and dislocated worker program who are participating in the applicable program of training services; and
 - (3) Information on program costs (such as tuition and fees) for WIA participants in the program.

- b) HRDOC established procedure by which providers demonstrate if the additional information required imposes extraordinary costs on providers, or if providers experience extraordinary costs in the collection of information. If, through these procedures, providers demonstrate that they experience such extraordinary costs:
 - (1) HRODC provides access to cost- effective methods for the collection of the information; and
 - (2) HRODC provides additional resources to assist providers in the collection of the information from funds for Statewide workforce

investment activities reserved under WIA sections 128(a) and 133(a)(1).

- c) The Local Boards and the HRODC accepts program-specific performance information consistent with the requirements for eligibility under title IV of the Higher Education Act of 1965 from a provider for purposes of enabling the provider to fulfill the applicable requirements of this section, if the information is substantially similar to the information otherwise required under this section.
- d) All training providers, including those operating under the ITA exceptions, must qualify as eligible providers, except for those engaged in on the job training and customized training.

2. Procedures to resolve impasse situations at the local level in developing memoranda of understanding (MOUs) to ensure full participation of all required partners in the One-Stop delivery system;

Local boards and partners must enter in good-faith negotiations. In order to address impasse situations, they may request assistance from a State agency responsible for administering the partners' programs, the Governor, State Board or other appropriate parties. The State agencies, the State Board and the Governor may also consult with the appropriate federal agencies to address the impasse situation after exhausting other alternatives. The Local Boards and partners must document the negotiation and efforts that may have taken place. Any failure to execute a MOU between a local board and the required partner must be reported by the Local Board and the required partner to the Governor or the State Board, and the state agency responsible for administering the partner's program, and by the Governor or the State Board and the responsible State agency to the Secretary of Labor and to the head of any other federal agency with responsibility for oversight of partners program.

If at this point an impasse has not been resolved, through the latter alternatives, any partner that fails to execute a MOU may not be permitted to serve on the Local Board. Also, any local area in which a Local Board has failed to execute a MOU with all the required partner is not eligible for state incentives grants awarded on the basis of local coordination of activities under 20 CFR 665.200 (d)(2).

3. Criteria by which the State will determine if local Boards can run programs in-house;

Workforce Investment Boards will not be administering programs.

4. Performance information that on-the-job training and customized training providers must provide;

Customers who successfully complete the OJT program should be retained by the employer at the same or higher wage level. The employer is to be contacted 12 months after the OJT terminates and asked if the customer is still working there and if not, why not. Employers must assure that they provide long-term employment for trainees who successfully complete training, with wages and employment benefits (including health benefits) and working conditions at the same level, and to the same extent as other employees working a similar length of time and doing the same type of work. This information and the associated employer retention rates should be kept in a central place in the local area, and should be checked before writing a new OJT. The information and retention must be forwarded to the state for dissemination.

In accordance with WIA Regulations, section 663.700 (b), the local program must not contract with an employer who has previously exhibited a pattern of failing to provide OJT participants with continued long-term employment with wages, benefits, and working conditions that are equal to those provided to regular employees who have worked a similar length of time and are doing the same type of work.

5. Reallocation policies;

Reallocation procedures used by the Governor is stated in Federal Register 20 CFR Part 652, in section 667.160:

- The Governor may reallocate youth, adult, and dislocated worker funds among local areas within the State in accordance with the provisions of sections 128(c) and 133(c) of the Act. If the Governor chooses to reallocate funds, the provisions in paragraphs (b) and (c) of this section apply.
- For the youth, adult and dislocated worker programs, the amount to be recaptured from each local area for purposes of reallocation, if any, must be based on the amount by which the prior year's unobligated balance of allocated funds exceeds 20 percent of that year's allocation for the program, less any amount reserved (up to 10 percent) for the costs of administration. Unobligated balances must be determined based on allocations adjusted for any allowable transfer between funding streams. This amount, if any, must be separately determined for each funding stream.
- To be eligible to receive youth, adult or dislocated worker funds under the reallocation procedures, a local area must have obligated at least 80 percent of the prior program year's allocation, less any amount reserved (up to 10 percent) for the costs of administration, for youth, adult, or dislocated worker activities, as separately determined. A local area's eligibility to receive a reallocation must be separately determined for each funding stream.

6. State policies for approving local request for authority to transfer fund (not to exceed 20%) between the Adult and Dislocated Worker funding stream at the local level

In accordance to Section 133 (b) (4), a local board may transfer not more than 20 percent of the funds allocated to the local area for a fiscal year between

adult employment and training activities and dislocated worker employment and training activities, once approved by the Governor. The Commonwealth of Puerto Rico will approve the local board request for such transfers when such request is made through their local plans. Each local board and appropriate chief elected officials develops and submit a comprehensive local plan to the Governor, which identifies and describes how the funds allocated will be utilized and the workforce development activities that will be carried out in the local area.

In addition, the local board submits for our approval a Budget Information Summary (BIS) table with an explicative narrative. If a transfer of funds is necessary, the local board will indicate in the BIS the transfer of funding stream requested for the particular employment and training activity. The BIS will be evaluated and either will be approved or not. If the local board did not request a transfer of funds, during the fiscal year they can request a transfer of funds by submitting a modification to their local plan. A modification can be requested, if there are significant changes in local economic conditions, changes in the financing available to support WIA Title I and partner provided WIA services or a need to revise strategies to meet performance goals.

As a first step any reallocation made at the federal level will be allocated to the state level funds (State Reserve and Rapid Response). If needed, the HRODC will perform any reallocation of funds in accordance with the formula criteria's for the program year where a reallocation is needed.

At the end of the two year fund availability period at the local area level, the HRODC will use any unexpended funds as additional State Reserve funds during the final year of availability at the state level in accordance with sections 127(b) and 132(b) of WIA and section 667.107 of the WIA regulations.

7. Policies related to displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, disabled individuals and others with multiple barriers to employment and training;

The Commonwealth's policies encourage state agencies to provide quality services to all citizens, targeting those with special needs. Taking this into consideration, the Special Project Unit of the HRODC, will create, develop and implement island-wide projects that will provide pre-employment skills training, job developing services, on-the-job training and counseling, vocational guidance, job placement, job coaching, employment retention services and follow-up in nontraditional settings to qualified participants. These innovative projects are targeted to steer and implement the Government Economic Plan.

During the next two years, Puerto Rico will use State Reserve Funds from the Workforce Investment Act, to offer Nontraditional Training to the following sectors:

a) *Displaced Homemakers*

Displaced Homemakers refers to a person who has been doing unpaid work for family members at home, and who has been dependent on the income of another family member but is no longer supported by that income.

Through the available funds in the State Reserve from the Workforce Investment Act (WIA), new projects will be directed to impact homemakers who are no longer recipient of public assistance funds. These programs should be designed to provide the required supported services necessary to free the homemakers of their home-related responsibilities by providing daycare services for pre-school children, transportation, meals, car allowance, and clothing, as necessary, to permit them to attend pre-employment skill training, assistance in resume-writing, job-related seminars, job fairs or any further training

that will assure obtaining and/or maintaining competitive employment. Furthermore, if additional adult basic education, on-the-job training, job coaching and any other short-term vocational training is required to meet the participants' vocational goals and assure competitive job placement for a year or more, as required by WIA, it should also be available to the participant for successfully becoming economically independent.

b) *Elderly Population in Puerto Rico*

In recent years, the elderly population in Puerto Rico has increased dramatically. According to the US Census, in the year 2000, the island's population above 55 years was 774,584. It is estimated that 20% of the entire population will be 60 and older by the year 2010, which means that one in every five Puerto Ricans will be older than 60.

The data indicates that poverty in 65 and over population increased, as the age increased. Since elders consist of a subpopulation with different needs to the rest of the general population, poverty could impact them in a more severe magnitude than the other age groups. Many socio-demographic characteristics should be considered to reflect the risks associated of living in poor conditions, like the educational attainment, employment status, gender, marital status, living arrangements, health conditions, total income, Social Security Income, public assistance income and retirement income.

Another important factor to be considered could be the different life events, such as the retirement from the labor force, the health issues associated with the fact of getting older with the ever increasing cost of prescriptions drugs and health coverage and the change in the marital status to widowed, associated to the high mortality prevailing in that group. All this factors could become obstacles for them to

obtain and maintain quality employment that will assist them in dealing properly and effectively with all these life-changing events.

In order to meet this population special need, projects that will train and place elderly individuals into competitive employments will be considered for presentation of proposals of services that will provide them with economically supported programs.

Since working with this population will require qualified individuals with training in the area of geriatric, it is recommended in order to provide appropriate quality services, only those services providers that present proper training and qualification of their staff, will be considered to present a proposal for training and employment services.

c) *Individual with Disability*

According with the American Disabilities Act of 1990 (ADA), any individual who is not able to perform one of his or her daily living activities is considered a person with a disability.

Puerto Rico has a significant portion of its population with one or more disabilities. According to the 2000 Census, there are approximately 934,674 or 25% of the population over five (5) years of age with some kind of disability. Acknowledging the specific needs of this sector, the Special Project Unit of the HRODC, will create, develop and implement projects targeting this population through the pertinent government entities. It is important to serve this population understanding that their limitations should not be a barrier for placing them into competitive employment. In addition, many individuals with disabilities have encountered discrimination because they cannot perform properly in today's job market. For that reason, the individuals with disabilities are covered by ADA to ensure the employer will provide them with the opportunities and the reasonable accommodations necessary for successful job placement and

retention. Therefore, the Commonwealth has developed partnerships with the Administration for Vocational Rehabilitation and the Office of the Procurator for People with Disabilities, to develop vocational training and job placement programs to ensure the people with disabilities will be served according to their needs, abilities, vocational interest and limitations.

d) *Youth*

According to WIA standards, any young person between 14 and 21 years of age, who may be in school or out of school, and is a low income individual should be considered eligible for services. In addition, there are some characteristics that are barriers in the youth population that should be a priority for the state to provide them with training and vocational services. These are some of those variables that affect this population's ability to become employable: below average academic and reading level, school dropout, homeless, runaway, foster child, pregnant or a parent, offender, or needs additional assistance to obtain and maintain employment.

In our competitive society, the youth population confronts the problem of not having enough resources and experience that the job market requires for employment. In order to assist them in their initial job seeking activities, it is necessary for the Special Project Unit to develop training and educational programs related to their vocational interest and under-graduate education.

e) *Offenders*

Any adult or youth who has been involved in the criminal justice process, for whom services under the Workforce Investment Act may be helpful or who needs assistance in overcoming artificial barriers to employment resulting from a record of arrest or conviction.

According to the Commonwealth Correctional Administration, 62 percent of the people arrested for a felony or crime, were unemployed at the time of their arrest. Of those arrested, 60 percent were repeated offenders. These statistics demonstrate a social problem with the rehabilitation process of these individuals, which many times are discriminated against due to their past criminal record.

It is evident that working with their self-esteem during the rehabilitation process through education and academics programs, will promote their success to be economically independent and/or self-sufficient once they return to their community. Since the Commonwealth is seeking for permanent solutions to minimize the criminal activities in our society, several innovating projects have been developed and will continue to be available utilizing WIA funds for adult basic education and entry-level vocational training programs. These projects will support and improve the offender population opportunities to be employ once their sentence has been completed.

- 8. If you did not delegate this responsibility to local boards, provide your State's definition regarding the sixth youth eligibility criterion at section 101(13)(C)(iv) ("an individual who requires additional assistance to complete an educational program, or to secure and hold employment"). (§§112(b)(18)(A) and 20 CFR 664.210.)**

The State has not provided a definition regarding the sixth youth eligibility criterion. We have informed the Local Areas that their Local Board has to issue a policy to define this particular criterion, and once issued the Local Areas can utilize the criteria as part of their eligibility requirements.

IX. Service Delivery -- Describe the approaches the State will use to provide direction and support to local Boards and the One-Stop Career Center delivery system on the strategic priorities to guide investments, structure business engagement, and inform service delivery approaches for all customers. (§§112(b)(17)(A) Activities could include:

A. One-Stop Service Delivery Strategies: (§112(b)(2) and 111(d)(2).)

1. How will the services provided by each of the required and optional One-Stop partners be coordinated and made available through the One Stop system? (§112(b)(8)(A).)

The HRODC through the Liaison with Unit promotes the integration of services in the One-Stop Centers for individuals and employers. The integration is developed by the promotion of the services through job fairs and media communications. Through the participation of the State in activities developed by entities involving the private sector and businessmen such as the Association of Industries, Chamber of Commerce and the United Retail Center, the HRODC has participated and provided information regarding the opportunities and services available in the One- Stop Center. In addition, local promotional activities to community and cultural organizations are held periodically. These strategies will be the ones that will continue in order to maintain and strengthen the One-Stop Service System for our private sector customers as well as individual customers.

2. How are youth formula programs funded under §128(b)(2)(A) integrated in the One-Stop system?

Youth formula programs funded under §128(b)(2)(A) are integrated in the One-Stop System by a need-driven basis. Allotment of state funds to youth programs in Local Areas will be made when the Local Areas comply with the following conditions:

- The relative number of unemployed individuals in the Local Area is higher than the total number of unemployed individual in the state

- The relative excess number of unemployed in each local areas compared to the total excess number of unemployed individuals in the state
- The relative number of disadvantaged youth in each Local Area, compared to the total number of disadvantaged youth in the state.

When the Local Area will be designated as a local area served by a rural concentration employment program grant recipient, the allotment shall be based on the higher of:

- The number of individuals who are ages 16 through 21 in families with an income below the low- income level in such area;
- The number of disadvantaged youth in such area.

Also, statewide funds will be allocated to youth program in Local Areas with special projects designated to serve targeted youth population that will serve as a demonstration project to other Local Areas. In order to receive statewide funds, the project has to be innovative in providing necessary training and employment services to the youth population.

3. What minimum service delivery requirements does the State mandate in a comprehensive One-Stop Centers or an affiliate site?

Section 121 (b) of WIA establishes the programs and activities that has to be integrated into One-Stop System of the Local Workforce Investment Areas. One of the fundamental principal under which the creation of the One-Stop System is base on is the integration of available program services for the targeted population in the corresponding geographical area. This integration promotes the availability of services in a more accessible form, permitting at the same time to maximize the utilization of available economical resources in order to attend the participant’s needs.

The services offered by each of the required and optional partners of the One-Stop Center are contained in the Memorandum of Understanding (MOU). Each MOU should specify the services that the partner will provide to the participants through the OSC and how they would be provide, among other things. Each client visiting a OSC would be evaluated by a case manager, which would establish the action to be followed. In determining the necessities for one or more partners, the customer would be referred to them. All of the OSC should count on the physical or technological represented of the required partners and also count on optional partners that are deem to be beneficial to the population being served within their local area.

4. What tools and products has the State developed to support service delivery in all One-Stop Centers Statewide?

The HRODC has been working to expedite the electronic reporting capability for the local areas. Requirements are limited to those required by the Act, those required for compliance with Equal Employment Opportunity (EEO) requirements, and a few items necessary for oversight and management purposes. Some of the tool developed to support service delivery in One Stop Center are:

1. *Workforce Investment Act Client Administration System (SACWIA for its Spanish acronym)* – Its described in details in Section VI(A)
2. *MIP Accounting Program* – Its described in details in Section VI(A)
3. The State Unit for Dislocated Workers and Employers (UETDP for its Spanish acronym), developed a electronic profile to know the characteristics of the dislocated worker and deliver services in response to their needs. Its described in details in Section VI(A).
4. *Electronic State List of Providers of Training Services* – Its described in details in Section VIII(G)(1).

- 5. What models/templates/approaches does the State recommend and/or mandate for service delivery in the One-Stop Centers? For example, do all One-Stop Centers have a uniform method of organizing their service delivery to business customers? Is there a common individual assessment process utilized in every One-Stop Center? Are all One-Stop Centers required to have a resource center that is open to anyone?**

The State has not presented a formal mandate for the delivery of services in the One-Stop Center. Nonetheless, the HRODC through their Simulated One-Stop Center exposition was able to provide examples of services delivery within workforce investment system. The simulation showed different types of clientele (youth, adults and dislocated workers) with their particular needs with basic, intensive and training services available in the One-Stop Center.

In addition, the HRODC's certification of the One-Stop Centers assures that each local areas are providing the necessary services mandated by WIA. Regarding individuals assessments process, each center has develop their own and even though it has been recommended the resource center is not a requirement.

- B. Workforce Information – A fundamental component of a demand driven workforce investment system is the integration and application of the best available State and local workforce information including, but not limited to, economic data, labor market information, census data, private sources of workforce information produced by trade associations and others, educational data, job vacancy surveys, transactional data from job boards, and information obtained directly from businesses. (§§111(d)(8), 112(b)(1), and 134(d)(2)(E).)**

- 1. Describe how the State will integrate workforce information into its planning and decision making at the State and local level, including State and local Boards, One-Stop operations, and case manager guidance.**

The Local Areas Plan is evaluated in terms of its scope, and its relation with the state goals and objectives. These are revised to determined consistency with those established by the State. The workforce information includes: population characteristics; present employment opportunities; short term projections by occupation and industry; job opportunities oriented to high growth occupations by industrial sector and occupational composition of the local area; major

industry composition and economic development trends for the local area; Strategies of the local area to satisfy the needs of the employers, job seekers, and workers and description of the One-Stop System.

Information about an individual and their WIA Title I-B experiences is used to:

- Share program results with consumers, taxpayers, Congress and others with an interest in the program;
- Compare results among WIA title I-B service providers, local areas and with other federally funded programs; and
- Evaluate and continuously improve services.

2. Describe the approach the State will use to disseminate accurate and timely workforce information to businesses, job seekers, and employment counselors, in easy to use formats that are readily accessible within One-Stop Career Centers and at remote locations such as libraries, schools, worksites, and at home.

Puerto Rico implemented an on-line information system called the Government Statistical System that is administered by the Office of Management and Budget. All government agencies are connected to this system and the statistical information generated by the agencies is periodically updated.

The HRODC also developed an Internet web page (www.boriquen.com/cdorh01) presenting information such as changes in legislation, state and local areas statistical reports, labor related seminars and activities, and other information related to the WIA system. The page can be access by the public. In addition, the WIA Client administration System (WIA-SAC for its Spanish Acronym) was developed in a joint effort of the HRODC and the Local Areas. All the areas are connected to the system and it produces information for the development of the Performance Measures Report and information about the client served. Custom reports can be developed by the system.

The HRODC, together with the Local Areas, developed an on-line State Service Providers List. This program can be accessed through Internet by service providers to include their program offerings and by the participants to choose educational and training alternatives. The system also offers information and reports related to service providers' performance and success rates.

3. Describe how the State's Workforce Information Core Products and Services Plan is aligned with the WIA State Plan to ensure that the investments in core products and services support the State's overall strategic direction for workforce investment.

The Commonwealth of Puerto Rico recognizes that the Labor Market Information is the impetus behind nearly every decision made in a WIA/One-Stop system. The Puerto Rico Department of Labor is currently feeding data into the America's Labor Market Information System (ALMIS) which produces high quality, standardized labor market information and tools in a variety of media and formats for use by job seekers, employers and workforce professionals. This collaborative effort with the Employment and Training Administration is an integral part of the information infrastructure that will be supporting the workforce investment system in Puerto Rico.

4. Describe how State workforce information products and tools are coordinated with the national electronic workforce information tools including America's Career Information Network and Career Voyage.

The State workforce information product and tool which we will be working with to coordinate on a national level are:

- Occupational and Employment Demand Census (OEDC) - which is a customized labor market information from a variety of sources to help employers develop strategies for recruiting, hiring and retaining employees. In addition, helps individuals identify occupations that are or will be in demand.
- O'NET System – which provides a common occupational language to help workers and employers connect more easily.

C. Adults and Dislocated Workers

1. Core Services. §112(b)(17)

- a. **Describe state strategies and policies to ensure adults and dislocated workers have universal access to the minimum required core services as described in §134(d)(2).**

See Section IX(A)(3)

- b. **Describe how the state will ensure the three-tiered service delivery strategy for labor exchange services for job seekers and employers authorized by the Wagner-Peyser Act includes: (1) self-service, (2) facilitated self-help service and (3) staff-assisted service, and is accessible and available to all customers at the local level.**

Puerto Rico's Wagner-Peyser Act Employment Service Vision:

To develop an enhanced, integrated, seamless system to deliver demand-driven training and employment services, guided by employers and job seekers needs, working specially on the communication and integration with partners under the Workforce Investment Act.

System Structure

The Puerto Rico Employment Service Program delivers employment services through nineteen (19) local offices located Islandwide, shared with the Unemployment Insurance Program and the State Training Proposals Program, which are components of the Right to Employment Administration. The integration with WIA programs had consisted on representation of these programs in the WIA Local Boards and in the services delivery areas by means of Veterans Program Representatives, Unemployment Insurance Representatives and Training Proposals and Labor Exchange Representatives, as established by current MOUs.

WAGNER-PEYSER EMPLOYMENT SERVICE PROGRAM
SERVICES

- Employment Services to Veterans
- Employment Services to Students
- Reemployment Services
- Employment Services to Special Groups
 - UI Claimants
 - Elderly
 - Disabled
 - Dislocated Workers
- WOTC
- TAA
- Labor Certification
- Employment Services to Farm Workers
- Employment Services to Migrants Farm Workers
- Initial Services
- Employment Registration
- Counseling
- Placement

- c. **Describe how the state will integrate resources provided under the Wagner-Peyser Act and WIA Title I for adults and dislocated workers as well as resources provided by required One-Stop partner programs, to deliver core services.**

Following the new vision of integration, the next two (2) years will be of physical and administrative integration; the goal: relocation of WIA and Wagner-Peyser Components into one unique structure and location. Steps to follow are:

- a. Following Commonwealth of Puerto Rico Governor and Secretary of Labor decisions, the Right to Employment Administration programs will be integrated to WIA programs, sharing locations, in order to transform resources saved onto training opportunities. Wagner-Peyser Labor Exchange

services will continue to be provided by merit-based public employees in accordance with Wagner-Peyser and DOL regulations.

- b. Unemployment Insurance Law # 74, has to be reviewed by the Legislature of Puerto Rico to assure UI Reform as required by Federal Government. It has to be analyzed the new coordination between Employment Service and Unemployment Insurance Program in order to comply with the UI Work Test, Profiling and Reemployment Program and other issues.
- c. Moving plan: search for the better / cost-effective, and accessible locations that could satisfy the needs of job seekers, employers and employees.
- d. Reorganization of the Service Delivery Areas; discussion with Local Boards to unify the structure which will allow hundreds of daily customers to receive integrated, and efficient services, managed by an organized and demand-driven system.
- e. Search for a common technology that could manage and maintain WIA and WP data bases to comply with ETA requirements and customers needs.
 - a. Joint meetings of the WIA and Wagner-Peyser MIS Staff to improve the existing technology and/or workout a new reporting system to comply with the Common Performance Measurements Reports. Updating and upgrading of the existing technology to assure record keeping in case of loss or emergency events.

- f. Joint WIA and Wagner-Peyser Managerial Staff meetings from all programmatic areas in order to coordinate flow of services and an increased number of customers in the new structure.
 - Services to Employers
 - Services to Wagner-Peyser Special Groups
 - Counseling/Case Management/Core Services
 - Reception Services/Call Centers
- g. Meaningful customer-friendly joint WIA-Wagner-Peyser statistics system; a Common LMI Unit, and common Customer Satisfaction Surveys and Reports.
- h. WIA and Wagner-Peyser staffs cross training and Capacity Building.
- i. The Employment Service Merit System staff will concentrate on determining training needs as employment needs.
- j. The new system will continue to honor the Veterans preference.

2. Intensive Services. (§112(b)(17)(a)(i).) Describe State strategies and policies to ensure adults and dislocated workers who meet the criteria in §134(d)(3)(A) receive intensive services as defined.

The main strategy developed by the state to guarantee the delivery of intensive services to displaced workers and adults who fulfill the Section 134(d) (3) (A) criteria is to strengthen the Case Management process. During the past years we improved the local areas case managers' capabilities through specialized training in identifying participant's needs and complete a professional evaluation. In each Local Area a Masters Degree in Orientation and Counseling was offered to one case manager in order to supervise the case

management system and to provide support and expertise to deal with different situations presented by participants. In addition, online case management courses have been offered allowing the cases managers to perform participant's evaluations through technological resources.

This importance of this strategy is the development of a participant comprehensive evaluation that allows identifying specific needs. Once this comprehensive evaluation is completed, service delivery will be in a need-driven basis and resource overhead will be reduced.

We will continue case management improvement throughout additional training to improve participant's evaluation.

3. Training Services.

- a. **Describe the Governor's vision for increasing training access and opportunities for individuals including the investment of WIA Title I funds and the leveraging of other funds and resources.**

Governor's vision to increase training access and opportunities for individuals is described in Section I(C).

b. Individual Training Accounts

1. What policy direction has the State provided for ITAs?

A key tenet of WIA is that the client should be empowered. Thus, adults and dislocated workers who have been determined to be in need of training may do so by utilizing an Individual Training Account (ITA). To enhance choice and ensure that an individual has the opportunity to engage in training that will put him or her on a career path leading to economic self-sufficiency, comprehensive information on providers, performance data, local labor market prospects, occupations in demand, and other employment statistics will be available. Counselors will assist individuals in making informed choices.

Program operators and training providers must enter into arrangements with entities administering alternative sources of funds including providers administering Pell Grants, to ensure that WIA funds are not used to cover activities already available through other programs.

2. Describe innovative training strategies used by the State to fill skills gaps. Include in the discussion the State's effort to broaden the scope and reach of ITAs through partnerships with business, education, economic development, and industry associations and how business and industry involvement is used to drive this strategy.

An innovative training strategy used by the state to fill employees and industries skills gaps is summarize in the Pharmaceutical Industrial Clusters Project description. This is an innovative and demonstrative project developed in joint effort with the Local Areas, Educational Institutions, local government and pharmaceutical industries to fulfill a common skill gaps in the industries. Section III (C)(4) present a detail description of this project. The same concept is being use to fill skill gaps in the agricultural sector.

In this concept, coordinated by the State and Local Boards, the members of the Boards, representing several industrial sectors, identify the skill gaps in the industry, the educational sector develops the training curriculum and certifications and the government sector develops the recruitment of participants and provides financial assistance. This activity has proven to be very successful and will continue to be use as a strategy to promote the involvement of the different economic sectors and the WIA System.

3. Discuss the State’s plan for committing all or part of WIA Title I funds to training opportunities in high-growth, high-demand, and economically vital occupations.

High-growth and critical occupations in Puerto Rico are related to high technology industries such as pharmaceutical, medical devices, biotechnology and related industries. Governor’s reserve funds will be used to support and improve high-technology industries throughout fund investment in on the job training and customized training activities in these types of industries. The pilot projects developed will be used as replicable investments strategies to Local Areas. Also, the State Board submitted public policies to encourage Local Areas to invest in high grow industries. In Section IX(G)(1) we described guidelines and conditions established for innovative project funds allocations.

In the new administrative structure proposed by the Governor, WIA funds are included as an economic development tool, together with other incentives available in the Department of Economic Development and Commerce to enhance high technology industries. The results of the Pharmaceutical Cluster Project encouraged the state to continue with this approach

4. Describe the State’s policy for limiting ITAs (e.g., dollar amount or duration)

The State delegates the criteria for establishing funding limits and usages of the ITA’s to the Local Areas. Each local area establishes the ceiling and how the ITA’s would be used in order to be responsive to the occupational demand of the area.

5. Describe the State’s current or planned use of WIA Title I funds for the provision of training through apprenticeship

Currently, Puerto Rico is not developing training activities through apprenticeship programs. However, through development of public

policy the State board will open the opportunities for its development.

6. Identify state policies developed in response to changes to WIA regulations that permit the use of WIA Title I financial assistance to employ or train participants in religious activities when the assistance is provided indirectly (such as through an ITA) (20 CFR § 667.266(b)(1).)

The policies developed related to this new WIA regulations are described in detail in Section IX(H).

c. Eligible Training Provider List. - Describe the State's process for providing broad customer access to the statewide list of eligible training providers and their performance information including at every One-Stop Career Center. (§112(b)(17)(A)(iii).)

The process for providing broad customer access to the statewide list of eligible training providers and their performance information is described in Section VIII(G)(1).

d. On-the-Job (OJT) and Customized Training (§§112(b)(17)(A)(i) and 134(b)). Based on the outline below, describe the State's major directions, policies and requirements related to OJT and customized training.

i. Describe the Governor's vision for increasing training opportunities to individuals through the specific delivery vehicles of OJT and customized training.

The Governors' vision to increase training opportunities through On the Job Training (OJT) and customize training services is based on the utilization of WIA funds and services as an incentive for the retention and establishment of new industries in Puerto Rico. The OJT and Customized Trainings is designed to satisfy specific needs of employers and to provide individuals to the opportunity to overcome skill gaps. These two training services are incentives offered to industries who want to invest or establish operations in Puerto Rico. In addition, the training services will be offered to

current industries transforming their operations from none or low to high technology production.

ii. Describe how the State:

- **Identifies OJT and customized training opportunities;**

On the Job Training and Customized Training opportunities are identified from several sources. In the first place, through the Puerto Rico Industrial Development Corporation (PRIDCO), who is in charge of promoting the industrial development and investment in the Island. This corporation works in association with the local areas identifying new potential industries and estimate number of jobs to be generated. Through the coordination with the local areas, new employees are trained in production processes and its technological needs.

Another method to identify individuals in need of training is through the State Dislocated Workers and Employers Unit (SDWEU). The Unit identifies industries in technological transformation process and workers in need to be retrain to keep their jobs. Both services are used as a preventive measure to avert lay-offs and closings.

Industries and individuals may apply for OJT and Customize Training services directly to the local areas. The case managers develop evaluations to assist customers in the design of the trainings.

- **Markets OJT and customized training as an incentive to untapped employer pools including new business to the State, employer groups;**

Governors' vision assures the OJT and Customized Training as incentive to new business, employers groups and individuals. See Section IX(C)(3)(d)(i) for detailed approach.

- **Partners with high-growth, high-demand industries and economically vital industries to develop potential OJT and customized training strategies;**

The State Board through public policy, has empowered local areas for the development of OJT and Customize Training activities with high-growth – high demand industries economically influencing their areas. By the presence of partners in the One Stop Centers of the local areas, the information is shared to enhance the development of the training activities.

- **Taps business partners to help drive the demand-driven strategy through joint planning, competency and curriculum development; and determining appropriate lengths of training, and**

The State Local Board, through its Liaison with the Private Sector Committee, involves the industry members in the evaluation and development of OJT's. This committee is exclusively composed of professionals in the private industry and participates in the evaluation of the work plans, initiatives and public policies developed by the State Board.

The Committee also participates in the development of pilot projects described in the previous sections and promote within its members the evaluation of curriculums, projects and trainings targeted to meet the need of employers.

- **Leverages other resources through education, economic development and industry associations to support OJT and customized training ventures.**

Through the different working committees of the State Board the educational, economic development and industry sectors are integrated in the development of OJT's. These committees serve as liaison to facilitate the integration of other sectors such

as the Industrialist Association, Chamber of Commerce, Pharmaceutical Industry Association, Private Education Associations, community colleges, and issuing leveraging of other resources.

4. Service to Specific Populations

- a. **Describe the State's strategies to ensure that the full range of employment and training programs and services delivered through the State's One-Stop delivery system are accessible to and will meet the needs of dislocated workers, displaced homemakers, low-income individuals such as migrants and seasonal farmworkers, women, minorities, individuals training for non-traditional employment, veterans, public assistance recipients and individuals with multiple barriers to employment (including older individuals, people with limited English-speaking proficiency, and people with disabilities.)**

The Workforce Investment System and one-stop career centers are designed to meet the needs of all types of jobseekers throughout the Island. Within the system, local workforce investment boards respond to the needs of jobseekers with different types of needs and individual with multiple barriers to employment.

Each one stop career center have required partners that carry out the workforce development programs through the provision of core services applicable to their particular program. The required partner would be responsible to provide needed assessment that includes additional element specifically tailored to participant under that partner's program. This is done in order to avoid duplication of services. It is important to enhance effective collaboration from the partners in order to provide a seamless system of service delivery.

According to Section 662.260 of the WIA regulation one stop partners must use the one-stop system to provide access to the partner's other activities and programs and this is described in the Memorandum of Understanding (*MOU*) between the one stop center and the required partner. We want to emphasized that the strategies to ensure access to our

client for needed training and employment services is to assist the individual to identify the service and program that will meet their needs and arrange to obtain such service.

For example, in the case of our dislocated workers, migrant and seasonal farm workers and veterans, the Right to Employment Administration (*REA*) is the government agency administering Wagner-Peyser, Migrant Programs, Veteran Workforce Program and UI, that would provide valuable training services to this population. They are essential required partners in the entire one stop career center system in Puerto Rico. Each of the 15 local areas is required to establish Memorandum of Understanding (*MOU*) with REA in order to assure those specific services needed by the clientele. In addition, the State Dislocated Workers and Employer Unit with their two Support Centers located in Carolina and Ponce will be providing core and reemployment services to workers affected by plant closing and massive layoff. Training opportunities under WIA and Trade Adjustment Act will be communicated to them and the referrals will be made to the appropriate one stop system. Displaced homemakers are considered eligible dislocated workers under WIA and will be able to receive core, intensive or training services that will assist them in their job search process.

The Puerto Rico Vocational Rehabilitation Administration has been an exemplary partner within the workforce investment system and have developed exceptional *MOU*'s with the local area regarding the carrying out of programs or activities geared to people with disabilities. They ensure that their population has access to a variety of services that are available in the one stop system.

Public assistance recipients, women, individuals training for non-traditional employment, and individual with multiple barrier to employment, such as older individual, will also be provided core,

intensive and training services through the one-stop system. The local areas have been encouraged to make available a broad spectrum of services that will meet the needs of the target group. Also, the HRODC has in past and will continue in the future utilize funds reserved by the Governor for allowable statewide employment and training activities to sponsor needed innovative programs for women, people with disabilities, and older individuals that will place them in unsubsidized employment. Supportive services and needs related payment are available to the target group as needed.

In order to assure that no group is discriminated upon and that everyone has equal access to the workforce investment system, the Commonwealth of Puerto Rico, local areas, service providers, vendors and sub recipients must comply with the nondiscrimination and equal opportunity provisions. A grievance procedure in compliance with Section 667.600 is required from each local area and service providers. It has to be described in the local plan and an equal employment and grievance officer is required to resolve grievances and complaints from participants and other interested parties affected by the workforce investment system. The HRODC will monitor compliance with equal employment opportunities and affirmative action and will conduct regular audits of local areas.

b. Describe the reemployment services you will provide to unemployment insurance claimants and the Worker Profiling services provided to claimants identified as most likely to exhaust their unemployment insurance benefits in accordance with section 3(c)(3) of the Wagner-Peyser Act.

The Employment Security Bureau (Employment Service and Unemployment Insurance Programs), as stated by Wagner-Peyser Act, as amended by WIA, established a system for “Worker Profiling and Reemployment Services”. This program is coordinated between Employment and Unemployment programs to help claimants to find a job before the exhaustion of their benefits.

The Employment Service will continue to coordinate services with the Unemployment Insurance Program, to offer reemployment services to claimants as required by the Wagner-Peyser Act, through Local Level Merit Staff and the (SABEN System) and the Employment Service System “Interempleo” or its substitute.

All Unemployment Claimants will be registered and will receive Employment Service Core Services. Those with determined characteristics (difficulty to be employed) will be identified by SABEN. These claimants will be notified by the system to visit the Local Office to receive Reemployment Services before they exhaust their Unemployment Benefits. Some of the intensive services to be offered are: Counseling, Job Search, Individual Employment Plan and Case Management. Failing to assist to the appointment without a justified cause will be reason to loose the UI Benefits.

c. Describe how the State administers the unemployment insurance work test and how feedback requirements (under §7(a)(3)(F) of the Wagner-Peyser Act) for all UI claimants are met.

The Wagner-Peyser Act of 1933, as amended, establishes in Section 7 (a) (3) F, as part of the Employment Service activities and services:

The “Work Test” for Unemployment Insurance Claimants, among other services as: job search and placement. It refers to the process in which the claimants are registered by the Employment Service and followed-up to ensure they are performing an active job search. If there is a job opportunity and a claimant rejects it without a reasonable justification, he or she will loose the UI Compensation Benefits.

Employment Service Procedures for the “Work Test”

- UI Claimants are registered

- UI Claimants must prove that are looking for a job actively by assisting to interviews with the ES or UI Staff or employers, and submitting evidence of their job search activities.

Unemployment Insurance Claimants could be disqualified to receive UI benefits if:

- Reject a Job Referral
- Fail to assist to an appointment in the Local Office for an interview referring to a training or job opportunity.
- Respond in negative terms to a job offer, do not show up for an interview with an employer or do not show up for work.

d. Describe the State’s strategy for integrating and aligning services to dislocated workers provided through the WIA rapid response, WIA dislocated worker, and Trade Adjustment Assistance (TAA) programs. Does the State have a policy supporting co-enrollment for WIA and TAA?

The State Dislocated Workers and Employers Unit is the entity who has the initial responsibility of integrating and aligning services to dislocated workers by providing rapid response activities to companies closing down or having massive layoff. The Unit, upon hearing the circumstances of the companies closing down of laying off their employees, will trigger the rapid response team to start providing services. Personnel from the appropriate local area, where the company affected is located, will join and collaborate with the Rapid Response team in orienting the employer regarding available services. If the closing the layoffs cannot be averted, the multi-programmatic task force will lead in the delivery of on-site core and reemployment service. In addition, the workers will also be advice on job and assessment opportunities, counseling and training services through Individual Training Accounts.

Even through Trade Adjustment Assistance Program is available in the workforce delivery system; in Puerto Rico we have not implemented the program. The Regional Office will be providing technical assistance in order to present a proposal for TAA funding that would allow the Commonwealth of Puerto Rico provide those services to that particular worker who has lost his/her job a result of increase import.

- e. How is the State's workforce investment system working collaboratively with business and industry and the education community to develop strategies to overcome barriers to skill achievement and employment experienced by the populations listed in paragraph (a.) above and to ensure they are being identified as a critical pipeline of workers?**

See Pharmaceutical Cluster Project description in Section III (C)(4).

- f. Describe will the State ensure that the full array of One-Stop services are available to individuals with disabilities and that the services are fully accessible?**

See Section IX(C)(4)(a).

- g. Describe the role LVER/DVOP staff have in the One-Stop Delivery System? How will the State ensure adherence to the legislative requirements for veterans' staff? How will services under this Plan take into consideration the agreement reached between the Secretary and the State regarding veterans' employment programs? (§§112(b)(7), 112 (b)(17)((B); 322, 38 U.S.C. Chapter 41; and 20 CFR §1001.120.)**

Under the Disabled Veteran Outreach Program (DVOP) and the Local Veteran Employment Representative Program (LVR), the Commonwealth of Puerto Rico provides needed supportive service for veterans. Through the one stop delivery systems, LVER/DUOP staff will be designated to provide services and comply with the required priority and special attention to veterans. The HRODC will insure through the monitoring process that each local area's One-Stop Center will comply with required priority of services and appropriate special consideration is given to the veteran and in some cases to their spouses.

- h. Department of Labor regulations at 29 CFR 37, require all recipients of Federal financial assistance from DOL to provide meaningful access to limited English proficient (LEP) persons. Federal financial assistance includes grants, training, equipment usage, donations of surplus property, and other assistance. Sub-recipients are also covered when Federal DOL funds are passed through from one recipient to a sub-recipient. Describe how the State will ensure access to services through the State's One-Stop delivery system by persons with limited English proficiency and how the State will meet the requirements of ETA Training and Employment Guidance Letter (TEGL) 26-02, (May 29, 2003) which provides guidance on methods of complying with the Federal rule.**

In Puerto Rico, English is a second language. Nonetheless, with the importance of knowing a second language, especially an international global business language as is English, each local area's One-Stop Center provides courses to participants needing to speak, read and write in English in order to more marketable in the labor force. In many cases, One-Stop Centers contract services providers and set up an English Laboratory Center in their facilities.

- i. Describe the State's strategies to enhance and integrate service delivery through the One-Stop delivery system for migrant and seasonal farm workers and agricultural employers. How will the State ensure that migrant and seasonal farm workers have equal access to employment opportunities through the State's One-Stop delivery system? Include the following:**

- The number of Migrant and Seasonal Farmworkers (MSFWs) the State anticipates reaching annually through outreach to increase their ability to access core, intensive, and training services in the One-Stop Career Center System.**

The Right to Employment Administration (REA), which administers the Migrant and Seasonal Farmworkers (MSFW) Program, is a required partner within the One-Stop delivery system. They work closely with the 15 Local Areas and their One Stop Center to ensure the provision of services to this population. Besides offering services allowable through the MSFW program such as basic education,, literacy, on the job training and public and private not for profit work

experience, REA will compliment those services by referring their participants to receive necessary training and employment services provided by the Local Area through the One-Stop Center. Puerto Rico is anticipating serving between 900 and 1000 migrant and seasonal farmworkers in the next years.

5. Priority of Service

- a. **What procedures and criteria are in place under 20 CFR 663.600 for the Governor and appropriate local boards to direct One-Stop operators to give priority of service to public assistance recipients and other low-income individuals for intensive and training services if funds allocated to a local area for adult employment and training activities are determined to be limited? (§§112(b)(17)(A)(iv) and 134(d)(4)(E).)**

One of the most important groups needing manpower services is comprised by economically disadvantaged individuals.

Characteristics of the economically disadvantage

An economically disadvantaged individual is defined as a person who receives, or is a member of a family which receives cash welfare payments under a federal, state, or local welfare program. Puerto Rico total population according to the 2000 U.S. Census is 3,808,610 persons. A total of 1,835,750 individuals are classified as economically disadvantage individuals, or 48.2 percent of the labor area population. A variety of manpower programs exist in Puerto Rico aimed at lessening the number of persons in this group, since the goal of the Act is to increase employment, retention, and earnings of participants and in doing so improve the quality of the workforce to sustain economic growth, enhance productivity and competitiveness and reduce welfare dependency.

Services and activities:

Based on the characteristics of the low-income adults and public assistance recipients served with adult funds, our primary goal during programmatic year 2005-2006, will consist of expanding and improving the quality of services and outcomes. Our efforts will also be oriented toward the improvement of the timeliness and effectiveness of early intervention activities; improve the responsiveness of services to the individual needs of the low-income adults and public assistance recipients clientele. As follows:

To provide a better integration of different services available through the One Stop Delivery System.

- To lower the unemployment rate in Puerto Rico, through the development of meaningful necessary employment skills.
- To empower the eligible adults with the opportunity to select training opportunities available island wide through the Individual Training Accounts. (ITA's)
- To provide universal access in the One Stop Delivery System to choose the core employment related services.
- To increase employment retention and earnings of individuals.
- To improve the quality of the workforce to sustain economic growth, enhance productivity and competitiveness.
- To foster community development programs designed to provide self employment opportunities to economically disadvantaged individuals in order to motivate their interests and capacity through entrepreneurs activities.

- b. What policies and strategies does the State have in place to ensure that, pursuant to the Jobs for Veterans Act (P.L.107-288)(38 USC 4215), that priority of service is provided to veterans (and certain spouses) who otherwise meet the eligibility requirements for all employment and training programs funded by the U.S. Department of Labor, in accordance with the provisions of TEGL 5-03 (9/16/03)?**

Jobs for Veterans Act

Under title I of WIA, the workforce investment system provides the framework for delivery of workforce investment activities at the State and local levels to individuals who need those services including job seekers, dislocated workers, youth, incumbent workers, new entrants to the workforce, veterans, persons with disabilities, and employers.

Public Law 107-288 / Section 2(a) of the “Jobs for Veterans Act” 38 U.S.C. A 215 (a), creates a priority of services for veterans (and some spouses) “who otherwise meet the eligibility requirements for participation” in DOL training programs.

The Veterans’ need for service must be applied by assessing a persons’ status in light of both the veterans’ priority and the existing provision(s). For example, certain targeting provisions are derived from a statutory mandate that requires a priority or preference for a particular group of participants or requires spending a certain portion of program funds on a particular group of participants. The veterans’ priority is applied as follows:

- An individual meeting both the veterans’ and the mandatory priorities or spending requirement or limitation would obtain the highest preference for the program.
- Non-veterans within the program’s mandatory priority would receive a preference over eligible veterans outside the program specific mandatory priority or spending requirement or limitation.

- Similarly, eligible veterans outside the program-specific mandatory priority or spending requirement or limitation would receive priority over non-veterans outside the priority or spending requirement or limitation (once the spending requirement or limitation is met).

Service and Activities:

In accordance with Sec.661-240 of the WIA regulations, the state board, should establish policies, interpretations, guidelines and definitions to implement provisions of this title. It is therefore required that a state may submit to the secretary a unified plan for any of the programs or activities described in WIA section 501(b)(2) including veteran's programs under 38 USC chapter 41 accordingly, the state office in Puerto Rico that administers the Workforce Investment Act Program has developed a service strategy to deal with the wide range of problems and needs that affect a substantial number of eligible veterans residing in Puerto Rico, as required by "Jobs for Veterans Act" (PL107- 288).

Veteran:

The existing definition of Veteran varies across program and funding streams. In conjunction with Veterans' Employment and Training Service, ETA will standardize this definition and apply it to affected programs/grants. The Workforce Investment Act Program, definition of a veteran is as follows:

- "An individual who served in the active military naval, or air service, and who was discharged or released from such service under conditions other than dishonorable".
- "Recently separated veteran" Means any veteran who applies for participation under this title within 48 months after the discharge or release from active military, naval or air service.

Impact on workforce Investment System Process

Assuming that workforce Investment system state and local policies, operational management decisions, and related work process do not inherently discriminate against veterans, priority of service to veterans should be provided within the context of existing policies, operational management, and related work processes.

Worker Profiling and Reemployment Services Program

States currently develop their own statistical models for profiling unemployment insurance claimants for referral to services. The veterans' priority requirement will not impose a change in state profiling models but rather in the way claimants are referred to services. Claimants with the highest probabilities of exhaustion, including veterans, will still be referred to services first. This means that non-veterans with a higher probability of exhaustion will be referred ahead of veterans with a lower probability of exhaustion. However, in cases where the statistical model produces identical probabilities for a number of claimants, veterans will receive priority in referral to service. If states have information on veteran status at the time they do their referrals, they can use this to resolve ties produced by their statistical model by giving priority to veterans over non-veterans with the identical probability of exhaustion. Alternatively, states can opt to simply refer all people in the tied group.

Adult/Dislocated Worker Local Resource Allocation and Individual Training Accounts (ITA's)

Consistent with the principle that veterans' priority must be applied within the existing context of the relevant Department of Labor program, the Jobs for Veterans Act does not change the requirement that participants must qualify as eligible under the Workforce Investment Act, nor does it change local area ability to budget funds among core, intensive, training and

supportive serves. Local programs are not required to change their allocations among services to reserve funds for veterans, but are required to ensure that eligible veteran workers are given priority over non-veterans for all available services.

Program Registration

Where there is a registration requirement associated with receipt of services for an impacted program or grant, collection of the individual's veteran status will be necessary.

Self-Service Tools

Any information or service delivery Web site developed with funding from an impacted program or grant will be expected to provide information on veterans' priority and how to access assistance via the nearest One-Stop Center in receiving priority service from any applicable program or grant. Specific, forthcoming policy guidance on the veterans' priority as it applies to self-service tool will provide further detail. It is important to note that self-service tool instructions on accessing veterans' priority assistance will be expected to go beyond mention of, or referral to, Local Veteran Employment Representatives and Disabled Veterans Outreach Programs.

D. Rapid Response(112(b)(17)(A)(ii).) Describe how your State provides Rapid Response services with the funds reserved under section 133(a)(2).

1. Identify the entity responsible for providing Rapid Response services. Describe how Rapid Response activities involve local boards and Chief Elected Officials. If Rapid Response activities are shared between the State and local areas, describe the functions of each and how funds are allocated to the local areas.

The HRODC's State Dislocated workers and Employers Unit is responsible for the provision of the Rapid Response services to workers who lost their jobs as result of and employer closing its facilities, a significant or moss layoff or a

natural disaster. Once a particular plant closing on massive layoff is notified, the local area is informed which will then divulge the information to the Local Grand and Chief Elected Official.

The local area will be part of the Rapid Response team in the initial contact with the employer. If it is a small closing of layoff, the local area will usually provide reemployment service with the state support staff available, if needed.

2. Describe the process involved in carrying out Rapid Response activities.

a. What methods are involved in receiving notice of impending layoffs (include WARN Act notice as well as other sources)?

The rapid response services start immediately after the employer releases a permanent closing announcement or mass lay-off. This announcement may be through notification as established by the WARN Act, notification letter, public announcement, through fax, telephone or any other form.

b. What efforts does the Rapid Response team make to ensure that rapid response services are provided, whenever possible, prior to layoff date, onsite at the company, and on company time?

Services are coordinated with local areas, mandatory partners and other related entities

- The possibility for stopping the potential closing is evaluated.
- The possibility of establishing a transition committee is evaluated.

In order to provide services before the lay-off, the SUDWE, establishes a Support Center within the premises of the company. If the employer refuses the services, the SUDWE sets the center in a nearby lot or through a mobile Unit. Information bulletins are prepared and distributed if the second or third alternatives are implemented. NAFTA – TAA services are ensured with the programs.

The Support Center activity include all necessary data to provide the services: profile of the worker and the employers information data. The SUDWE request the lay-off plan including the list of workers containing name, telephone, address and occupation, among others.

Occasionally the lay-offs occur without previous notification, in these cases, a list with the workers information is requested and a special activity is coordinated to provide the services.

- c. What services are included in Rapid Response activities? Does the Rapid Response team provide workshops or other activities in addition to general informational services to affected workers? How do you determine what services will be provided for a particular layoff (including layoffs that may be trade-affected)?**

The SUDWE provides the following services:

- Information conferences relevant to: Management of changes in transition times, Resume presentations, Readiness for employment search, among others.
- General information to the dislocated worker about services available under WIA.
- Psychological support.
- Budget and Financial Management Orientation
- Information about entrepreneurial development and self-employment.
- Job search assistance
- Identification and referral to available job opportunities in both, private and public sectors.
- Labor market information.
- Information about available public assistance.
- Information about training opportunities.

- Resume development and information about necessary documents for job search.
- Information related to job search.
- Filing of application for Employment and Unemployment Insurance Services.
- Educational institutions fairs.
- Support Center services.
- Job Fairs.
- Health and Non-criminal records certificates

3. How does the State ensure a seamless transition between Rapid Response services and One-Stop activities for affected workers?

While the SUDWE is providing rapid response services, the corresponding local area participates in the activity delivering the appropriate services. Once the services are in the closing company are completed, the SUDWE sends the dislocated worker profile to the corresponding local area. The local area will continue providing services to the worker as established by WIA.

4. Describe how Rapid Response functions as a business service? Include whether Rapid Response partners with economic development agencies to connect employees from companies undergoing layoffs to similar companies that are growing and need skilled workers? How does Rapid Response promote the full range of services available to help companies in all stages of the economic cycle, not just those available during layoffs? How does the State promote Rapid Response as a positive, proactive, business-friendly service, not only a negative, reactive service?

The Rapid Response functions is being promoted not only as a tool for providing services to workers affected by plant closings or massive layoff but also as an alternative for the business sector to avert a possible closing and improve the skills of their workers that would lead to the company being more productive and competitive.

The HRODC has been partnering with the economic development agencies to work together in contracting companies to set up their business in Puerto Rico. In addition, both the workforce development system and economic development have worked together to provide alternatives to those companies that are straggling in order to avert a plant closing.

Some rapid response services seen as proactive and business-friendly are:

- Develop strategies for addressing dislocation events that ensure rapid access to allowable assistance
- Develop and maintain mechanism for the regular exchange of information relating to available adjustment assistances
- Participate in capacity building activities
- Incumbent worker training
- Linkages with economic development activities including the Federal Department of Commerce Program and available State and local business retention and recruitment activities

5. What other partnerships does Rapid Response engage in to expand the range and quality of services available to companies and affected workers and to develop an effective early layoff warning network?

The SUDWE has trained two resources in specialized search for job opportunities in order to offer available opportunities to workers affected by closings and also performs job referrals. The SUDWE trained another resource in counseling of cooperative organizations and self-employment. The SUDWE develop a dislocated worker profile identifying their needs. The services provided ensure the dislocated worker a fast return to the labor force.

6. What systems does the Rapid Response team use to track its activities? Does the State have a comprehensive, integrated Management Information System that includes Rapid Response, Trade Act programs, National Emergency Grants, and One-Stop activities?

The SUDWE has a follow-up and job opportunities identification system. Through the SAC-WIA (Client Administration System) dislocated worker information can be access and up-dated.

7. Are Rapid Response funds used for other activities not described above; e.g., the provision of additional assistance to local areas that experience increased workers or unemployed individuals due to dislocation events?

The HRODC delegates additional funding to local areas affected by mass closings to provide services to dislocated workers. English workshops, computer skills and training are some of the services provided.

E. Youth. ETA's strategic vision identifies youth most in need, such as out of school youth and those at risk, youth in foster care, youth aging out of foster care, youth offenders, children of incarcerated parents, homeless youth, and migrant and seasonal farm worker youth as those most in need of service. State programs and services should take a comprehensive approach to serving these youth, including basic skills remediation, helping youth stay in or return to school, employment, internships, help with attaining a high school diploma or GED, post-secondary vocational training, apprenticeships and enrollment in community and four-year colleges. (§112(b)(18).)

1. Describe your State's strategy for providing comprehensive, integrated services to eligible youth, including those most in need as described above. Include any State requirements and activities to assist youth who have special needs or barriers to employment, including those who are pregnant, parenting, or have disabilities. Include how the State will coordinate across State agencies responsible for workforce investment, foster care, education, human services, juvenile justice, and other relevant resources as part of the strategy. (§112(b)(18).)

State strategies for providing comprehensive and integrated services to eligible youth, including those most in need are described in Section I(E). This section have the Governor vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training.

2. Describe how coordination with Job Corps and other youth programs will occur. (§112(b)(18)(C).).

Puerto Rico has been very successful in the development of activities in coordination with Job Corps Program. The Job Corps administration designated a liaison officer in each WIA local area that coordinates their services through the One Stop Center. In addition the Administration for Future Entrepreneurs and Workers (AAFET, for its Spanish acronym), entity under the Department of Labor, receives Job Corps funds to serve its customers. As a member of the State Board, AAFET, promotes and facilitate the coordination of youth services within the local areas.

In addition, coordination's were established with Office of Youth Affairs, Governor's Office and some One Stop Centers. Through this coordination's, the staff of Youth Houses Program, offer psycho-social workshops to the youth customers of the OSC.

3. How does the State plan to utilize the funds reserved for Statewide activities to support the State's vision for serving youth? Examples of activities that would be appropriate investments of these funds include:

a. utilizing the funds to promote cross agency collaboration;

See next Section.

b. demonstration of cross-cutting models of service delivery;

During the pars three Program Years (2001-2002, 2002-2003 and 2003-2004), funds were delegated to the Office of Youth Affairs for the development of "Juvempleo" Program. Through this program 1,695 college students were impacted. All students in the last year of their bachelor's degree, had a six month work experience in areas related their studies. From all the students impacted, 742 remained in the job or had received better job offers. The project has been so successful, that in 2004 became permanent through the State Law Number 464, receiving an additional permanent assignment from the General Budget.

In addition, funds were delegated to the Right to Work Administration for the development of a Student Employment Service. Through this program, counseling services in job search and work experience services to facilitate the transition from college to the world of work is provided. An average of 274 participants received services during each one of the last three Program Years. After the work experience they receive follow-up services. Both projects were developed to increase employment opportunities after graduation.

c. development of new models of alternative education leading to employment; or

See previous Section.

d. development of demand-driven models with business and industry working collaboratively with the workforce investment system and education partners to develop strategies for bringing these youth successful into the workforce pipeline with the right skills.

See Section IX(E)(3)(b)

4. Describe how your State will, in general, meet the Act's provisions regarding youth program.

The HRODC assigned a coordination officer to provide technical assistance to the fifteen (15) local areas in the implementation of their Youth Program under Title I of WIA, and to be the liaison between ETA's Region I, the local areas and the HRODC. The local areas are visited at least once every three month to maintain direct contact with the programs and assists in developing them, share success stories and visit activities provided by the local areas thorough the youth program. The HRODC will capacitate the coordinator officer by training him by workshop regarding the Program. In this way he will be well informed in terms of new strategies that are being developed in the system. In addition, from the information received from participating in the workshop, he can afterward share and discuss such information with the local areas and keep them updated with everything related to Youth Program. This information will be helpful to the local areas in discussing new strategies that would allow them

to effectively serve their population. Proactively, the coordinator officer facilitates the implementation of the Youth Program in the local areas according to Section 129 of WIA.

F. Business Services. (§§112 (a) and 112(b)(2).) Provide a description of the state's strategies to improve the services to employers, including a description of how the State intends to:

1. Determine the employer needs in the local areas and on a statewide basis.

The Commonwealth of Puerto Rico has realigned their one-stop delivery system in order to convert it into a demand-driven system that would be more responsive to the business sector. The State Board with the HRDOC, as the operational component, has convey to the local areas the importance of focusing as a priority the integration of the employer into the on-stop system. The employers will be dictating to the system the available job opportunities they have and those skills that the employees will need in the future to be competitive and marketable.

In addition, in 2003 the HRODC contracted the development of an employers and workers census conducted in a joint effort by the Department of Labor and Human Resources and the University of Puerto Rico. The Occupational and Employment Demand Census interviewed approximately 26,000 employers throughout the Island. It gathered information about occupations and skills in demand, vacancies and hard to fill occupations, projection of high growth occupations and skills required. The census was completed on April 2005 and a formal presentation to the State Board and Local Areas is scheduled for May 24. Once the final document is approved, it will be available electronically through the Internet. The Department of Labor will up-date the census every two years. This project envisions strengthening planning coordination and services between employers, the educational sector and public sector including One Stop Centers.

2. Integrate business services, including Wagner-Peyser Act services, to employers through the One-Stop system.

All of the One Stop Center (OSC) has been incorporating a business center atmosphere in their facilities, including the accessibility of Wagner-Peyser services. This is important and necessary in order for the OSC to be viewed as a welcoming employer-customer place that will facilitate and fulfill their business needs. The employer would be free to visit the OSC to participate in their interviewing and screening process of potential employees, recruitment and other office related activities.

For more information, on Sections III(B)(1) and IX(C)(5)(a) of this document we discussed the overall functions of the Private Sector Liaison Committee of the State Board and the Wagner-Peyser Act plan for the integration of services with the One Stop System. The information of the Occupational and Employment Demand Census and the integration of the Wagner-Peyser Act services to the One Stop System will provide the tools to the State Board and the local areas to streamline business services offered by the system.

3. Streamline administration of Federal tax credit programs within the One - Stop system to maximize employer participation? (20 CFR part 652.3(b), §112(b)(17)(A)(i).)

The One Stop System has been involved in developing tax incentives such as: Work Opportunity Tax Credit (WOTC) and Welfare to Work Tax Credit (WtWtC). The workforce development agencies and the economic development agencies have been working together to promote these incentives for the business sector utilizing the one-stop delivery system for their human resources needs. In addition, these incentives are presented to attract new business deciding to set-up their operations in Puerto Rico.

G. Innovative Service Delivery Strategies (§112(b)(17)(A).)

1. Describe innovative service delivery strategies the State has or is planning to undertake to maximize resources, increase service levels, improve service quality, achieve better integration or meet other key State goals. Include in the description the initiative's general design, anticipated

outcomes, partners involved and funds leveraged (e.g., Title I formula, Statewide reserve, employer contributions, education funds, non-WIA State funds).

Strategies for Innovated Service Plans

Innovative services will be offered through the creation of special projects using State Reserve Funds from the Workforce Investment Act and Local Area surpluses monies. These projects will be developed in collaboration with private non-profit, for profit organizations, and community based organizations which are the ones eligible and appropriate for funding adjudication.

A new strategy developed by the Special Project Unit, in order to maximize the resources available, is through the creation of new guidelines of the standards and procedures to be followed by the interested service providers during the proposal presentation process. The guidelines purpose is to establish a process of uniformed and objective competition that will permit the selection of the eligible qualified entities which are best prepared to utilize the funds in an innovative way in accordance with WIA requirements.

The proposals presented should comply with the specifications necessary to meet the programs objectives. The establishment of objective evaluation criteria will allow a rapidly systematic process of evaluation that will assure and facilitate the approval or denial of the project within a reasonable time period.

It is indispensable to offer services that meet the needs of the population. Local job demands will be taken in consideration for the purpose of offering real alternatives to the public. Furthermore, funds will be used to promote and move forward the government plan in order to pay the utmost attention to the two main priorities identified by the Governor to develop the local economy. We will establish, as a strategy, that all submitted proposals covering these priorities, as described on the following categories, will receive a higher mark in their evaluation. These are:

- Creation of Small and Medium Size Business – Employment through Business creation or business expansion. Jobs to promote exportation and Foreign Multinational Subcontractors.
- Science and Technology – Employment of high technology, development of research, biotechnology, biomolecular science and/or food technology.

Through the development of this competition process, the selection of those innovative proposals will assure quality of services based on the providers originality and experience in serving the targeted population.

Following WIA guidelines, it is essential to ensure that private and public agencies will promote innovative programs to satisfy the special training and vocational needs of the population highly at risk to live under poverty levels. In the past four (4) years, the Special Project Unit has developed initiatives to attend these population special needs through the development of projects such as:

- “Training and Job Seeking Services for People 55 Years old or More” Impacting the elderly population with entry level vocational training, vocational counseling and job placement in their areas of interest.
- “Occupational Development and Economic Self-Sufficiency”– Targeting domestic violence and economically disadvantage woman who required special vocational training and job placement services in nontraditional occupations to become financially independent.
- “Supported Employment for People with Disabilities” - Funds has been assign to assist people with disabilities with vocational training and job coaching services once placed into competitive employment through different community – based organization.

- “Juvempleo” – Young college students in their last year of studies were placed in employment related to their areas of studies for six months to provide them with first time work experience.
- “Fotoperiodismo” - During the month of June, young individuals participated in summer camp with the objective to develop their occupational, educational and recreational experience through photo-journal related activities.
- “Governmental University Consortium for the Rehabilitation through Training and Employment (CUGRAT)” – Young offenders were provided with vocational and college education through the University of Puerto Rico and Politechnical University during the last years of confinement. The purpose was to increase the possibilities of obtaining a career that would provide employment once the completion of the rehabilitation period.

Many other projects have been implemented by the Special Project Unit dedicated to impact hard to place and populations with special needs such as: “Training of the Deaf and Hearing Impaired Interpreters”, “Service and Promotion of WIA for People with Disability” “Business Development Training” and “Training for the Assertive Management of the People with Disabilities and the ADA Law”.

In the next two (2) years, the Special Project Unit is committed to continue providing quality services through the development of similar projects and the promotion of innovative proposals for services to all the needed special populations throughout the island. New ideas will be developed for the creation of different and innovated projects to impact our needed special population groups.

2. If your State is participating in the ETA Personal Re-employment Account (PRA) demonstration, describe your vision for integrating PRAs as a service delivery alternative as part of the State's overall strategy for workforce investment.

Puerto Rico isn't participating in the Personal Re-employment Account (PRA) yet, but the state is evaluating the account's implementation. The implementation of a Personal Reemployment Accounts Demonstration Project requires:

1. Assurance that the Unemployment Insurance Profiling System has the Quality and accuracy needed to carry out the PRA demonstration.
2. Conduct oversight of the demonstration and conduct periodic transactional monitoring and audits to assure proper usage of funds.
3. Establish the procedures for the eligibility requirements of UI claimants profiled by the system, in order to qualify for PRA awards.
4. Reprogramming of the Unemployment Insurance Benefits Automated System (SABEN)
5. Capacity building of the personnel responsible for the orientation of potential account holders in respect to account policies and procedures, their access, rights, responsibilities and liabilities.
6. Secure financial safeguards necessary for adequate used of federal funds on account management.

H. Strategies for Faith-based and Community Organizations (§112(b)(17)(i).) Enhancing outreach opportunities to those most in need is a fundamental element of the demand-driven systems goal to increase the pipeline of needed workers while meeting the training and employment needs of those most at risk. Faith-based and community organizations provide unique opportunities for the workforce investment system to access this pool of workers and meet the needs of business and industry. Describe those activities to be undertaken to: (1) increase the opportunities for participation of faith-based and community organizations as committed and active partners in the One-Stop delivery system; and (2) expand the access of faith-based and community-based organizations' clients and customers to the services offered by the One-Stops in the State. Outline those action steps designed to strengthen State

collaboration efforts with local workforce investment areas in conducting outreach campaigns to educate faith-based and community organizations about the attributes and objectives of the demand-driven workforce investment system. Indicate how these resources can be strategically and effectively leveraged in the State's workforce investment areas to help meet the objectives of the Workforce Investment Act.

Since the inception of the Center for Faith-Based and Community Initiative by the U.S. Department of Labor (USDOL), the Commonwealth of Puerto Rico's HRODC has been informing the 15 local workforce investment areas the need to evaluate existing faith-based and community organization as an option to help people succeed in the workforce. The vision behind this initiative is to involve these organizations in the workforce investment system and address pertinent social issues. This commitment will strengthen the One-Stop Career Center system by partnering with grassroots organizations.

Currently in Puerto Rico, there are 3 Local Areas (Northeast Consortium, Southwest Consortium and Northwest Consortium) that have involved faith-based organization in their One-Stop Service Delivery System. Many of these organizations often serve the same needs that are critical in helping job seeker enter or re-enter the workforce. The majority of these organizations provide needed support services in their local community such as:

1. Child Care
2. Transportation
3. Clothing
4. Life Skills Training

Combining the faith-based organizations' holistic approach on serving the needs of their community with the broad perspective of the workforce investment system of being driven by the needs of local businesses would strengthen the human resources and economic development opportunities. Faith-based organizations have been very successful with the hard-to-serve population who often need in-dept assistance to find and retain jobs. Their collaboration with the

One-Stop Center would be helpful in providing additional supportive service within the local workforce investment area.

The Human Resources and Occupational Development Council (HRODC) will continue to expound on the Faith-Based Initiative to the local workforce investment areas and request that they include in their plan strategies to incorporate these organizations in their local one-stop career center system. Since these organizations are very in tune to the needs and concerns of their surrounding communities, the local area should focus on how the faith-based organization can:

- Refer clients to the one-stop centers
- Assist in providing work experience activities
- Provide supportive services
- Participate in the local workforce investment boards and Youth Councils

- In addition, HRODC will be available to the faith-based organization for needed information and resources regarding the workforce investment system.

X. State Administration

- A. What technology infrastructure and/or management information systems does the State have in place to support the State and local workforce investment activities such as a One-Stop operating system designed to facilitate case management and service delivery across programs, a State job matching system, web-based self service tools for customers, fiscal management systems, etc.? (§§111(d)(2), 112(b)(1), and 112(b)(8)(B).)**

The HRODC develop a case management information system combined with the WIASRD elements. The system was developed using MS SQL and MS Visual Basic web based environment (www.sacwia.cdorh.org). Includes detailed translated to Spanish required and non required data elements regarding;

- a. Basic services
 - a. Date of service
 - b. Cost of service
 - c. Date of service termination
 - d. Information about the basic services
- b. Intensive services
 - a. Date of service
 - b. Cost of service
 - c. Date of service termination
 - d. Information about the basic services
- c. Training service
 - a. Date of service
 - b. Cost of service
 - c. Date of service termination
 - d. Information about the basic services
- d. Training services providers data
 - a. Occupational trainings offers
 - b. Date of training
 - c. Cost of training
- e. WIA partners services
- f. Performance data

- B. Describe the State’s plan for use of the funds reserved for Statewide activities under WIA §128 (a)(1).**

See Section IX (G)(1).

- C. Describe how any waivers or workflex authority (both existing and planned) will assist the State in developing its workforce investment system. (§§189(i)(1), 189 (i)(4)(A), and 192 .)**

The HRODC uses as guides to dispositions related to Waivers or exceptions (Sections 189 (I) (4) (A) of WIA and 20 CFR, § 661.400, 661.410 y 661.420). The purpose of this mechanism is to provide flexibility to the States and Local Areas to improve the investment in the labor force.

At the same time, the Workflex Authority is guided by sections 192 (a) of WIA and 20 CFR, § 661.430, 661.440. It is the available mechanism to obtain the authorization from the Federal Department of Labor to waive according to the Plan any of the legal requirements under WIA applicable to local areas subject to the exceptions established by the statute.

- D. Performance Management and Accountability. Improved performance and accountability for customer-focused results are central features of WIA. To improve, states need not only systems in place to collect data and track performance, but also systems to analyze the information and modify strategies to improve performance. (See Training and Employment Guidance Letter \ (TEGL) 15-03, Common Measures Policy, December 10, 2003.) In this section, describe how the State measures the success of its strategies in achieving its goals, and how the State uses this data to continuously improve the system.**

- 1. Describe the State’s performance accountability system, including any state-system measures and the state’s performance goals established with local areas. Identify the performance indicators and goals the State has established to track its progress toward meeting its strategic goals and implementing its vision for the workforce investment system. For each of the core indicators, explain how the State worked with local boards to determine the level of the performance goals. Include a discussion of how the levels compare with the State’s previous outcomes as well as with the State-adjusted levels of performance established for other States (if available), taking into account differences in economic conditions, the characteristics of participants when they entered the program and the services to be provided. Include a description of how the levels will help the**

State achieve continuous improvement over the two years of the Plan. (§§112(b)(3) and 136(b)(3).)

WIA's purpose is to provide workforce investment activities that improve the quality of the workforce. We are strongly committed to a system-wide continuous improvement approach, grounded upon proven quality principles and practices.

The development and establishment of a performance accountability system that reflects this commitment requires collaboration with representatives of appropriate local areas.

HRODC issues a performance analysis to the local areas in a monthly basis. The report is a graphical analysis and a worksheet that includes the performance indicators vs the accumulated performance by local area, the impact of the local area data in the state report. Additionally to the report, the HRODC periodically visits all of the 15 local areas in order to design strategies for improvement. This approach was very successful among other methods for continuous improvement during previous years. In program years 2001, 2002 and 2003, Puerto Rico did comply with each of the 17 performance measures.

The following table is the negotiated performance indicators for program year 2004.

Performance Measure	
Adults	Performance Standard
Entered Employment Rate	59%
Retention Rate	77%
Earnings Change	\$755
Credential Rate	48%
Dislocated Workers	
Entered Employment Rate	73%
Retention Rate	74%
Earnings Replacement Rate	92%
Credential Rate	61%
Older Youth	
Entered Employment Rate	56%
Retention Rate	72%
Earnings Change	\$745
Credential Rate	42%
Younger Youth	
Skill Attainment Rate	91%
Youth diploma or equivalent rate	61%
Retention Rate	82%
Customer satisfaction	
Participant customer satisfaction	83%
Employer Customer Satisfaction	78%

2. **Describe any targeted applicant groups under WIA Title I, the Wagner-Peyser Act or Title 38 Chapters 41 and 42 (Veterans Employment and Training Programs) that the State tracks. (§§111(d)(2), 112(b)(3) and 136(b)(2)(C).)**

See Sections IX (C)(4)(a), (5)(a) and (b) for details of this question.

3. **Identify any performance outcomes or measures in addition to those prescribed by WIA and what process is the State using to track and report them?**

State's Performance Accountability – Special Projects

The Special Project Unit has established a strategy to measure the compliance of the goals and objectives of special projects, through the registration of the participants in the SAC-WIA. These processes will enable the establishment

of the Standards and procedures for the execution of measurable variables in the numbers of placements, retentions, salary and profits, credentials and participants satisfaction.

In addition, the contract and proposal will be essential elements in the measurement of compliance of the project objectives and goals. These documents contain terms of agreements that will be considered and measured at the end of the project.

The data will be analyzed through the SAC-WIA system, to assure that the project is in compliance with the population in need of services, in addition to the contract agreements compliance, will determine the future development of similar projects and/or further disbursement of funds to the services providers. This will results in the capability of the provider in managing WIA funds.

In order to maintain continued follow-up throughout the development of the projects, the service providers will present a monthly report that will demonstrate the status of the project in accordance with the approve work plan and time table. This will permit the development of corrective measures to assure compliance with the establish project's objectives and goals.

Once the completion of the project is achieved, the provider is required to present an achievement report with all the results in a detail manner. Furthermore, additional follow-up of the participant's job placement and retention achievement will be provided on a quarterly report that should provide the employment status for a minimum period of one year as require by WIA.

4. **Describe the State’s common data system and reporting processes in place to track progress. Describe what data will be collected from the various One-Stop partners (beyond that required by DOL), use of quarterly wage records (including how your State accesses wage records), and how the Statewide system will have access to the information needed to continuously improve. (§112(b)(8)(B).**

See Section VI(A) - WIASAC description.

5. **Describe any actions the Governor and State Board will take to ensure collaboration with key partners and continuous improvement of the Statewide workforce investment system. (§§111(d)(2) and 112(b)(1).)**

The role for state workforce investment board and the private sector in WIA is focusing on strategic planning, policy development to increase performance through the years and oversight of the local workforce investment system. Business and labor have an immediate and direct stake in the quality of the workforce investment system. Their active involvement is critical to;

- The provision of essential data on what skills are in demand,
- What jobs are available,
- What career fields are expanding, and
- The identification and development of programs that best meet local employer needs.
- Workforce trends analysis.
- Workforce data interchange between state agencies

6. **How do the State and local boards evaluate performance? What corrective actions (including sanctions and technical assistance) will the State take if performance falls short of expectations? How will the State and Local Boards use the review process to reinforce the strategic direction of the system? (§§111(d)(2), 112(b)(1), and 112(b)(3).)**

WIA's purpose is to provide workforce investment activities that improves the quality of the workforce. We are strongly committed to a system-wide continuous improvement approach, grounded upon proven quality principles and practices.

The development and establishment of a performance accountability system that reflects this commitment requires collaboration with representatives of State and Local Boards.

- HRODC issues a performance analysis to the local areas and State and local boards in a monthly basis.
- The report is a graphical analysis and a worksheet that includes the performance indicators versus the accumulated performance by local area, the impact of the local area data in the state report.
- Additionally to the report, the HRODC periodically visits all of the 15 local areas in order to design strategies for improvement.
- This approach was very successful among other methods for continuous improvement during previous years. In program years 2001, 2002, 2003 and 2004 Puerto Rico did comply with each of the 17 performance measures.

7. What steps, if any, has the State taken to prepare for implementation of new reporting requirements against the common performance measures as described in Training and Employment Guidance Letter (TEGL), 15-03, December 10, 2003, Common Measures Policy. NOTE: ETA will issue additional guidance on reporting requirements for common measures.

The performance accountability system, with common performance measures at its core, will be aligned with the specific demand-driven strategies identified both at the state and local levels. The HRODC will implement some steps to disseminate the common measures policy contained in the Training and Employment Guidance Letter No. 28-04 dated April 15, 2005.

- Reporting, performance analysis to the local areas and State and local boards in a monthly basis.

- The HRODC will periodically visit all of the 15 local areas in order to design strategies for improvement and provide technical assistance to the staff.
- This approach was very successful among other methods for continuous improvement during previous years. In program years 2001, 2002, 2003 and 2004 Puerto Rico did comply with each of the 17 performance measures.

8. Include a proposed level for each performance measure for each of the two program years covered by the Plan. While the plan is under review, the state will negotiate with the respective ETA Regional Administrator to set the appropriate levels for the next two years. At a minimum, states must identify the performance indicators required under section 136, and, for each indicator, the State must develop an objective and quantifiable performance goal for two program years. States are encouraged to address how the performance goals for local workforce investment areas and training provides will help them attain their statewide performance goals. (§§112(b)(3) and 136.)

In the following table are showing the performance measures negotiated with ETA Region I in Boston for the next program years.

	Proposed levels PY 2005	Proposed levels PY 2006
Adults		
Entered Employment Rate	74%	76%
Retention Rate	86%	87%
Earnings Change	\$3,200	\$3,400
Credential Rate	62%	63%
Dislocated Workers		
Entered Employment Rate	80%	83%
Retention Rate	87%	88%
Earnings Replacement Rate	\$1,576	\$1,600
Credential Rate	67%	68%
Older Youth		
Entered Employment Rate	65%	66%
Retention Rate	85%	86%
Earnings Change	\$3,000	\$3,200
Credential Rate	54%	55%
Younger Youth		
Skill Attainment Rate	97%	98%
Youth diploma or equivalent rate	62%	64%
Retention Rate	73%	75%
Customer satisfaction		
Participant customer satisfaction	83%	84%
Employer Customer Satisfaction	76%	78%

E. Administrative Provisions

1. Provide a description of the appeals process referred to in §116(a)(5)(m).

The appeals process referenced in section 116 is directed to the obligation of establishing an appeals mechanism before the State Board in the State Plan, in the event that the Governor does not certify as a local area, a unit of general local government, if said unit complies with the criteria established in section 116 (a) (2) of WIA for an automatic designation or because it was recommended by the State Board.

Also the quoted section disposes that if after appealing the Governors' decision the unit of local government is not certified, this unit may request a revision before the Secretary of the Federal Department of Labor.

2. Describe the steps taken by the State to ensure compliance with the non-discrimination requirements outlined in §188.

Administrative Memorandum Number WIA 3-2003 of October 31, 2003 to review and substitute the Administrative Memorandum Number WIA 1-2001 related to public policy and standard procedures for accepting, disposing and process discriminatory complaints filed by any applicant or program participant, any employee from a local area or any other entity receiving funds from WIA Title I.

In November, 2004, the Director of the Civil Rights Center recertified our “Methods of Administration”, herein “MOA”, for its English acronym.

XI. Assurances

The Governor of the Puerto Rico Commonwealth certifies that the state will comply with all the Workforce Investment Act of 1998 and the Wagner Peyser Act.

The State assures that it will establish, in accordance with section 184 of the Workforce Investment Act, fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through the allotments made under sections 127 and 132. (§112(b) (11).)

1. The State assures that it will comply with section 184(a)(6), which requires the Governor to, every two years, certify to the Secretary, that :
 - a. the State has implemented the uniform administrative requirements referred to in section 184(a) (3);
 - b. the State has annually monitored local areas to ensure compliance with the uniform administrative requirements as required under section 184(a)(4);
and
 - c. the State has taken appropriate action to secure compliance with section 184 (a) (3) pursuant to section 184(a) (5). (§184(a) (6).)
2. The State assures that the adult and youth funds received under the Workforce Investment Act will be distributed equitably throughout the State, and that no local areas will suffer significant shifts in funding from year to year during the period covered by this Plan. (§112(b) (12) (B).)
3. The State assures that veterans will be afforded employment and training activities authorized in section 134 of the Workforce Investment Act, and the activities authorized in chapters 41 and 42 of Title 38 US code. The State assures that it will comply with the veterans priority established in the Jobs for Veterans Act. (38 USC 4215.)

4. The State assures that the Governor shall, once every two years, certify one local board for each local area in the State. (§117(c) (2).)
5. The State assures that it will comply with the confidentiality requirements of section 136(f) (3).
6. The State assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing. (§181(b) (7).)
7. The State assures that it will comply with the nondiscrimination provisions of section 188 and the implementation of the regulation codified in 29 CFR, Part 37, including an assurance that a Methods of Administration has been developed and implemented (§ 188).The State assures that it will collect and maintain data necessary to show compliance with the nondiscrimination provisions of section 188. (§185.).
8. The State assures that it will comply with the grant procedures prescribed by the Secretary (pursuant to the authority at section 189(c) of the Act) which are necessary to enter into grant agreements for the allocation and payment of funds under the Act. The procedures and agreements will be provided to the State by the ETA Office of Grants and Contract Management and will specify the required terms and conditions and assurances and certifications, including, but not limited to, the following:
 - General Administrative Requirements:
 - **29 CFR part 97** -- Uniform Administrative Requirements for State and Local Governments (as amended by the Act)
 - **29 CFR part 96** (as amended by OMB Circular A-133) -- Single Audit Act
 - **OMB Circular A-87** -- Cost Principles (as amended by the Act)

- Assurances and Certifications:
 - *SF 424 B* -- Assurances for Non-construction Programs
 - *29 CFR part 37* -- Nondiscrimination and Equal Opportunity Assurance (and regulation) 29 CFR § 37.20
 - *CFR part 93* -- Certification Regarding Lobbying (and regulation)
 - *29 CFR part 98* -- Drug Free Workplace and Debarment and Suspension Certifications (and regulation)

- Special Clauses/Provisions:
 - Other special assurances or provisions as may be required under Federal law or policy, including specific appropriations legislation, the Workforce Investment Act, or subsequent Executive or Congressional mandates.

9. The State certifies that the Wagner-Peyser Act Plan, which is part of this document, has been certified by the State Employment Security Administrator.

10. The State certifies that veterans' services provided with Wagner-Peyser Act funds will be in compliance with 38 U.S.C. Chapter 41 and 20 CFR part 1001

11. The State certifies that Wagner-Peyser Act-funded labor exchange activities will be provided by merit-based public employees in accordance with DOL regulations.

12. The State assures that it will comply with the MSFW significant office requirements in accordance with 20 CFR part 653.

13. The State certifies it has developed this Plan in consultation with local elected officials, local workforce boards, the business community, labor organizations, and other partners.

14. As a condition to the award of financial assistance from the Department of Labor under Title I of WIA, the grant applicant assures that it will comply fully with the nondiscrimination and equal opportunity provisions of the following laws:

- Section 188 of the Workforce Investment Act of 1998 (WIA), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and against 63beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I--financially assisted program or activity;
- Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the bases of race, color and national origin;
- Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;
- The Age Discrimination Act of 1975, as amended, which prohibits discrimination on the basis of age; and
- Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination on the basis of sex in educational programs. The grant applicant also assures that it will comply with 29 CFR part 37 and all other regulations implementing the laws listed above. This assurance applies to the grant applicant's operation of the WIA Title I-financially assisted program or activity, and to all agreements the grant applicant makes to carry out the WIA Title I-financially assisted program or activity. The grant applicant understands that the United States has the right to seek judicial enforcement of this assurance.
- Section 188 of the Workforce Investment Act of 1998 (WIA), which prohibits discrimination against all individuals in the United States on the

basis of race, color, religion, sex [except as otherwise permitted under title IX of the Education Amendment of 1972], national origin, age, disability, political affiliation or belief and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title financially assisted program or activity;

As the Governor of Puerto Rico Commonwealth, I certify that we will operate our Workforce Investment Act and Wagner-Peyser Act programs in accordance with this Plan and the assurances herein.

Typed Name of Governor

Aníbal Acevedo Vilá

Signature of Governor



Date:

May 16 2000



Attachments

**Puerto Rico 25 Main Occupation
and Critical Occupations
ONET System SOC Code
Knowledge Summary Report**

Attachment 1

Attachment 1

Puerto Rico 25 Main Occupation and Critical Occupations(employed people)
ONET System SOC Code
Knowledge Summary Report

SOC Code	Occupational Titles	Administration and Management	Biology	Building and Construction	Chemistry	Clerical	Communications and Media	Computers and Electronics	Customer and Personal Service	Economics and Accounting	Education and Training	Engineering and Technology	English Language	Fine Arts	Food Production	Foreign Language	Geography	History and Archeology	Law and Government	Mathematic	Mechanics	Medicine and Dentistry	Personnel and Human Resources	Philosophy and Theology	Physics	Production and Processing	Psychology	Public Safety and Security	Sales and Marketing	Sociology and Anthropology	Telecommunications	Therapy and Counseling	Transportation			
41-2031	Retail Salespersons	√							√		√		√							√									√							
43-9061	Office Clerks, General					√			√	√			√							√																
33-9032	Security Guards					√			√				√						√									√								
43-6014	Secretaries, Except Legal, Medical, and Executive					√			√																											
53-7062	Laborers and Freight, Stock, and Material Movers, Hand																									√										
41-2011	Cashiers								√		√		√							√								√								
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners				√				√												√															
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	√							√						√					√						√			√							
37-3011	Landscaping and Groundskeeping Workers				√																√															
43-5081	Stock Clerks and Order Fillers	√							√				√							√																
47-2061	Construction Laborers			√								√								√	√															
29-1111	Registered Nurses		√						√		√		√						√	√		√					√			√			√			
43-9022	Word Processors and Typists					√		√	√				√																							

SOC Code	Occupational Titles	Critical Industries Occupations																																
		Administration and Management	Biology	Building and Construction	Chemistry	Clerical	Communications and Media	Computers and Electronics	Customer and Personal Service	Economics and Accounting	Education and Training	Engineering and Technology	English Language	Fine Arts	Food Production	Foreign Language	Geography	History and Archeology	Law and Government	Mathematic	Mechanics	Medicine and Dentistry	Personnel and Human Resources	Philosophy and Theology	Physics	Production and Processing	Psychology	Public Safety and Security	Sales and Marketing	Sociology and Anthropology	Telecommunications	Therapy and Counseling	Transportation	
51-2092	Team Assemblers	This title represents an occupation for which data collection is currently underway.																																
53-3032.01	Truck Drivers, Heavy					√											√		√		√							√						√
51-6031	Sewing Machine Operators	No knowledge met the minimum score.																																
43-6011	Executive Secretaries and Administrative Assistants	√				√		√	√				√																					
43-9199	Office and Administrative Support Workers, All Other	Data is not collected for this "residual" (also called "all other") occupational title. It is made up of many different types of occupations with a wide range of characteristics.																																
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	√				√			√	√	√		√								√													
13-2011	Accountants and Auditors					√		√	√	√			√						√	√														
41-1011	First-Line Supervisors/Managers of Retail Sales Workers	√							√				√																					
43-3031	Bookkeeping, Accounting, and Auditing Clerks					√		√	√	√			√								√													
25-2031	Secondary School Teachers, Except Special and Vocational Education										√		√							√													√	
13-1199	Business Operations Specialists, All Other	Data is not collected for this "residual" (also called "all other") occupational title. It is made up of many different types of occupations with a wide range of characteristics.																																
29-2061	Licensed Practical and Licensed Vocational Nurses	√				√			√		√		√							√		√					√	√					√	

SOC Code	Occupational Titles	Administration and Management	Biology	Building and Construction	Chemistry	Clerical	Communications and Media	Computers and Electronics	Customer and Personal Service	Economics and Accounting	Education and Training	Engineering and Technology	English Language	Fine Arts	Food Production	Foreign Language	Geography	History and Archeology	Law and Government	Mathematic	Mechanics	Medicine and Dentistry	Personnel and Human Resources	Philosophy and Theology	Physics	Production and Processing	Psychology	Public Safety and Security	Sales and Marketing	Sociology and Anthropology	Telecommunications	Therapy and Counseling	Transportation	
51-2023.00	Electromechanical Equipment Assemblers							√				√									√					√								
51-2022.00 -	Electrical and Electronic Equipment Assemblers							√				√									√					√								
51-9083.02	Optical Instrument Assemblers																				√	√			√	√								
51-4035.00	Milling and Planing Machine Setters, Operators, and Tenders, Metal and Plastic											√									√	√			√	√								
51-4121.03	Welder-Fitters			√								√									√	√			√	√								
41-4011.02	Sales Representatives, Chemical and Pharmaceutical				√								√								√								√					
51-9061.05	Production Inspectors, Testers, Graders, Sorters, Samplers, Weighers																									√								
51-8091.00	Chemical Plant and System Operators				√							√									√	√				√	√							
51-9011.01	Chemical Equipment Controllers and Operators				√																√	√												
19-1021.01	Biochemists		√		√																√													
29-2012.00	Medical and Clinical Laboratory Technicians					√			√													√												

**Puerto Rico 25 Main Occupation
and Critical Occupations
ONET System SOC Code
Skills Summary Report**

Attachment 2

SOC Code	Occupational Titles	Basic Skills										Complex Problem Solving	Resource Management Skills				Social Skills						Systems Skills			Technical Skills												
		Active Learning	Active Listening	Critical Thinking	Learning Strategic	Mathematics	Monitoring	Reading Comprehension	Science	Speaking	Writing		Management of Financial Resources	Management of Material Resources	Management of Personnel Resource	Time Management	Coordination	Instructing	Negotiation	Persuasion	Service Orientation	Social Perceptiveness	Equipment Maintenance	Equipment Selection	Installation	Judgment and Decision Making	Operation and Control	Operation Monitoring	Operations Analysis	Programming	Quality Control Analysis	Repairing	Systems Analysis	Systems Evaluation	Technology Design	Trouble Shooting		
25-2031	Secondary School Teachers, Except Special and Vocational Education	✓	✓		✓	✓	✓		✓	✓						✓				✓																		
13-1199	Business Operations Specialists, All Other	Data is not collected for this "residual" (also called "all other") occupational title. It is made up of many different types of occupations with a wide range of characteristics																																				
29-2061	Licensed Practical and Licensed Vocational Nurses	✓	✓	✓					✓	✓				✓					✓					✓														
Critical Industries Occupations																																						
51-2023.00	Electromechanical Equipment Assemblers					✓		✓														✓				✓			✓									
51-2022.00	Electrical and Electronic Equipment Assemblers					✓		✓	✓							✓					✓	✓	✓			✓		✓	✓									
51-9083.02	Optical Instrument Assemblers			✓		✓		✓														✓			✓	✓			✓							✓		
51-4035.00	Milling and Planing Machine Setters, Operators, and Tenders, Metal and Plastic					✓		✓													✓	✓																
51-4121.03	Welder-Fitters					✓		✓													✓	✓	✓		✓			✓	✓									
41-4011.02	Sales Representatives, Chemical and Pharmaceutical		✓	✓				✓	✓	✓			✓					✓		✓																		
51-9061.05	Production Inspectors, Testers, Graders, Sorters, Samplers, Weighers					✓		✓																	✓			✓										
51-8091.00	Chemical Plant and System Operators	✓	✓	✓		✓		✓	✓															✓	✓			✓										
51-9011.01	Chemical Equipment Controllers and Operators					✓		✓	✓			✓									✓				✓	✓		✓									✓	
19-1021.01	Biochemists	✓		✓		✓	✓	✓	✓		✓																		✓									
29-2012.00	Medical and Clinical Laboratory Technicians		✓					✓	✓	✓			✓		✓						✓			✓														

**Puerto Rico 25 Main Occupation
and Critical Occupations
ONET System SOC Code
Abilities Summary Report**

Attachment 3

State's Grievance Procedures
(Administrative Memorandum WIA 2-2001)

Attachment 4

Commonwealth of Puerto Rico
Human Resources and Occupational Development Council
BankTrust Plaza suite 200, 255 Ponce de León Ave., San Juan, P.R. 00917

ADMINISTRATIVE MEMORANDUM NUMBER WIA-2-2001

DATE: June 1, 2001

TO: All Local Areas, Local Boards, Concessionaires, recipients of Workforce Investment Act (WIA) funds

SUBJECT: State Grievance and Claims Procedure

REFERENCE: Section WIA 184 and 20 CFR 667.500 and 667. 600 (Federal Register august 11, 2000)

JURISDICTION: This procedure applies to grievances and claims arising from alleged violations to the Workforce Investment Act, regulations, programs, activities and agreements disseminated in its virtue; by its participants, concessionaires, contractors and other interested parties. In addition, it applies to situations emerging from actions taken by the State (recipients, Governor, Council) related to investigations, audits, monitoring reports and revisions (Include sub-recipient audits OMB Circular A-133)

FILING AND SUBMISSION

Grievances and claims arising from the preceding must be filed within one (1) year from the date of the alleged occurrence of the incident or event. They must de presented and filed at the Following address:

[Xavier González Calderón]
Executive Director
Human Resources and Occupational Development Council
Office of the Legal Advisor
Grievance Officer
255 Ponce de León Ave.
BankTrust Plaza
Suite 200
San, Juan, Puerto Rico 00917
Telephone: (787) 754-5504, Ext. 243
Fax: (787) 274-1342

The Grievance Officer is the official in charge to expedite and processing of the grievance or claim result in accordance with these procedures.

CONTENT OF THE GRIEVANCE OR CLAIM

- a. Information about the legal capacity of the claimant under WIA.
- b. Information about the individual or entity claimed under WIA.
- c. The grievance or claim must be submitted in writing, signed by the claimant or its authorized representative, include the name and address of the claimant, identify the defendant and describe the allegations with sufficient details.

This is a Translation