

GOVERNMENT OF
PUERTO RICO
WORKFORCE
DEVELOPMENT
SYSTEM
2009
ANNUAL REPORT

Human Resources
and Occupational
Development Council



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Secretary of Labor's Message

The Government of Puerto Rico is facing many challenges. With the growing recession worldwide, the changes in the global economy and the advances in modern technology, makes our employment market a very competitive one. We have identified areas where educational principals and effective workforce training systems were needed in Puerto Rico to ensure that our residents receive the assistance they need to succeed in a competitive labor market.

A well trained, educated and skilled labor force provides a strong foundation for economic growth and development and offers competitive advantages in maintaining and attracting firms and industries in need of such workers.

We have been able to identify the goals and challenges that our government will pursue this coming year. We will work with our local areas and partners in order to help our needed population with the necessary skills and tools to overcome all work barriers and get them ready for the job market.

The key to a successful economic development for our cities depend on an adequate, qualified workforce to meet the demands of a growing job market. We will focus on developing a workforce system that results in more prepared and competitive workers who meet employer needs and strengthens our communities and families.

The document here within, represents the government outcomes throughout this past year. The report also includes outcomes of Puerto Rico's fifteen local areas. The goals were achieved and the standards were met. But much more needs to be done.

Sincerely,



Miguel Romero
Secretary



WORKFORCE INVESTMENT ACT (WIA) IN THE GOVERNMENT OF PUERTO RICO

Introduction

This annual report focuses on the 2008-2009 WIA Title I-B state and local accomplishments and WIA Title I-B performance results and responds to the requirements and guidelines established under the Training and Employment Guidance Letter no. 14-00, Change 3.

For Program Year 2009 the United States Department of Labor (DOL) allocated approximately \$96.3 million in WIA Title I-B funds to Puerto Rico. These funds continued employment and training services designed to benefit employers, dislocated workers, adults, and youth. WIA Title I-B programs are a critical part of realizing this vision and accomplishing our state's goals

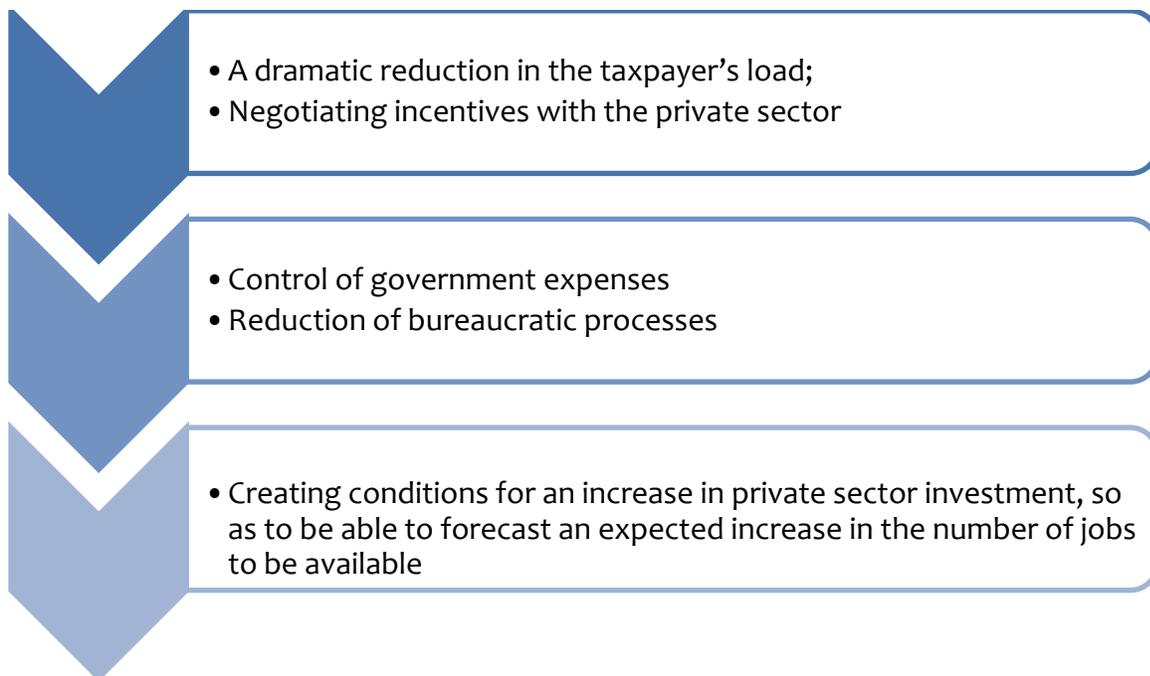
As part of the economic development strategies, in February 2009, Puerto Rico was appropriated of \$ 92,110,091 million under the American Recovery and Reinvestment Act.

Background and Summary

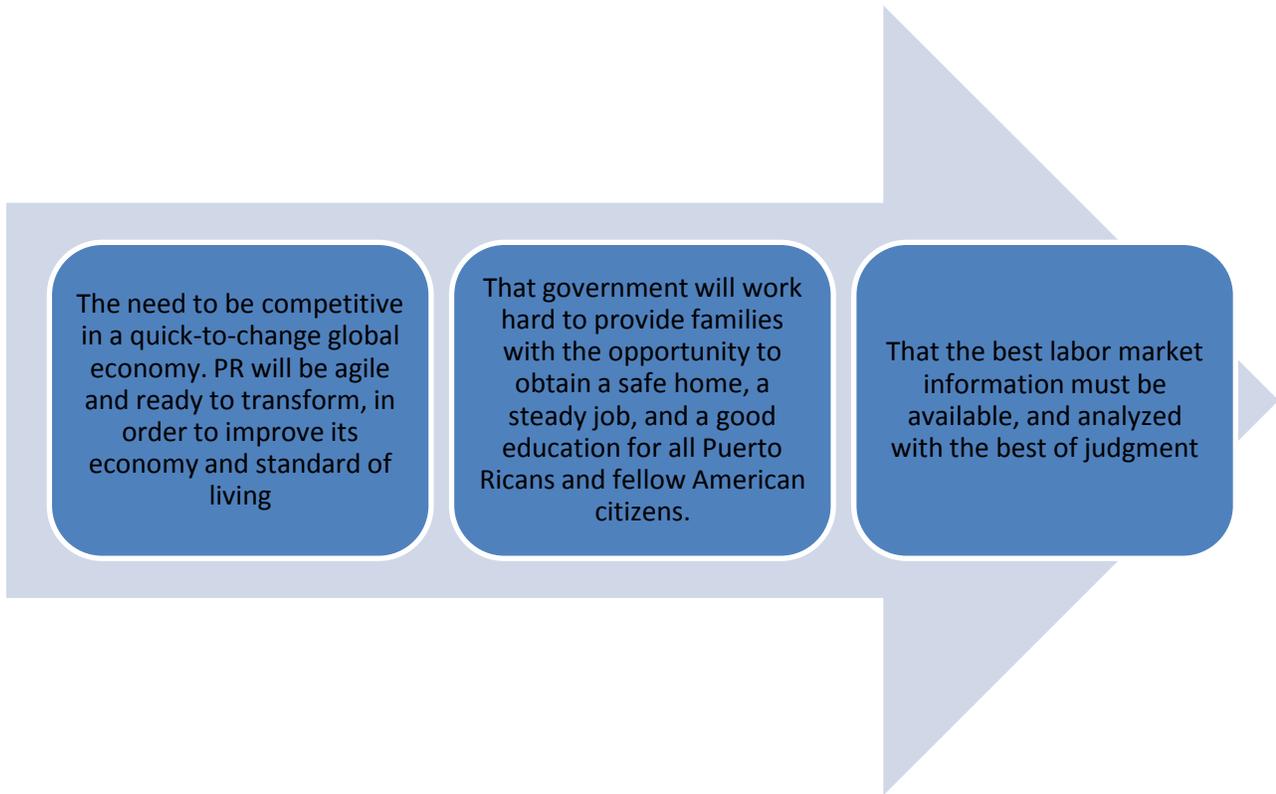
The Government of Puerto Rico thru its Governor, the Honorable Luis G. Fortuño, envisions Puerto Rico as a great community within the great American Nation where all citizens, communities, the private and governmental organizations begin to promote our position at the global level with the aspiration to become a world-wide leader, elevating collective health, the quality of life, and the local economy.

This vision is based on three important premises: the empowerment of the individual, free competition, and an efficient government.

Under this new vision, economic recovery begins with:



In order to achieve these initiatives, the following principles will be pursued:



Among the strategic projects that this new government will be implementing, you will find the following:

Incentives to Work

Establish an Annual Earned Income Tax Credit between \$300 and \$600, for those with an annual income of \$20,000 or less, and develop work ethics. The purpose of this incentive is to integrate dislocated workers into the workforce.

Tax Contribution Plan: "More Money in Your Pocket"

- Zero tax contributions for those who work, reduction in income tax rates, at all levels, and a simpler tax system.
- Provide work incentives and avoid penalizing entrepreneur success.
- Facilitate tax payment and reduce the cost of doing business in Puerto Rico.

Elderly Assistance

Establish reimbursement of up to \$400 for persons 65 years of age or older, who currently live below poverty levels. In addition, eliminate the capital tax from the sale of their principal place of residence, more specifically if their maximum, annual income is a maximum of \$125,000.00, should they sell their main residence to reduce cost of living expenses.

Reduce and simplify the corporate tax burden

Reduce the maximum corporate tax rate from 39% to 30%, in order to make it easier for the fulfillment of tax obligations, and reduce the cost of doing business in PR.

Tax Reduction

- Reduce tax payments in car purchases and stimulate the sale of fuel-efficient automobiles. In addition, reduce taxes in small businesses, such as tourism-oriented businesses and restaurants. Reduction in tax rates from 20% to 46%, to provide money on to the hands of workers, and inject funds into the economy.

Project an attractive environment in which to do business in Puerto Rico

- Establish policies that allow industries and businesses to release capital that can be invested in the expansion of manufacture; in improving production capacity; infrastructure, investigation and development. These policies will assist toward the creation of new jobs, and help retain existing jobs in the private sector.

Workforce Development System Goals

GOALS

Workforce Development

- Transform Puerto Rico's labor market pool into an attractive one, with a fair compensation system, favorable working conditions, harmonious labor relations, and real opportunities for everyone than wants to work, to exceed.
- Review labor regulations and schedules in order to allow for the necessary flexibility that will fulfill the needs of workers and business corporations.

WIA System Goals

- Support a strategy of intensive job creation in the private sector.
- Compete in the global labor market with a highly educated and trained workforce, provide incentives that promote work ethics, and incorporate job seekers into the economy.
- Promote employment for the disadvantaged, establish hiring processes with which to identify, obtain, and retain a job in spite of disability, age, physical or veteran condition.
- Rescue at-risk, secondary high school students from dropping out of school, and integrate them into the workforce.
- Promote entrepreneurship among eligible adults, dislocated workers, and youths, as an attainable, feasible, and rewarding alternative to employment.

2008-09 State Plan for WIA Title I-B and the Wagner-Peyser Act

Puerto Rico's Two Year State Plan Modification for Title I of WIA and Wagner Peyser Act PY 2007-2008 and 2008-2009 was updated and adopted by the State Workforce Investment Board on May 2007 . The plan, establish the Workforce Development plan, which included the vision, goals, objectives and strategies for the workforce development system.

Puerto Rico Workforce Components

The Workforce Investment System of Puerto Rico integrates as its main components, the Department of Labor and Human Resources (DLHR), the State Investment Board, the Human Resources and Occupational Development Council (HRODC), ascribed to the Department and which is the state agency in charge of administering WIA and ARRA-WIA funds, and the 15 Local Areas.

The Puerto Rico Department of Labor and Human Resources is an executive department of the Government of Puerto Rico, it was created by the Law 15 of 1931, and then its existence was recognized at the moment of the approval of the Constitution of the Commonwealth of Puerto Rico in 1952. Its first Secretary was Prudencio Rivera.

The department is responsible for public policy and management of labor legislation, occupational safety, unemployment insurance benefits, re-employment services, human resources training, and some economic statistics.

State WIA Structure

The Human Resources and Occupational Development Council, (HRODC) is the administrative agency whose role is to manage Workforce Investment Act (WIA) Title I funds, under the supervision of the Secretary of Labor, head of the Department of Labor

and Human Resources umbrella agency, the official Grantee for WIA Title I, and Wagner–Peyster Act Grants in Puerto Rico. The Council is the state agency specifically responsible for carrying out the federally approved, strategic planning process for Puerto Rico’s Workforce Investment System, and for elaborating any and all corresponding State Plans and Modifications.

The HRODC’s Executive Director is appointed by the Governor of Puerto Rico, and based on his position and of the Council under the umbrella of the Labor Department, there is a strong working relationship with all the other agencies and programs of the Department, specially with Wagner Peyster, and Vocational Rehabilitation.

State Workforce Investment Board

According to Title I, Section 111(d) of the Workforce Investment Act of 1998, Public Law 105-220 the State Workforce Investment Board (SWIB) helps the Governor, in developing a State Workforce Development Plan, among other things.

The State Board has among its members, representatives of the private sector, academia and the main government agencies related to economic and workforce development, such as Labor and Human Resources, Economic Development, Youth Affairs, Vocational Rehabilitation, and Housing. It also has representatives of the Legislative Branch and of the mayors.

The State Board composition includes a wide variety of well know entrepreneurs, economics representatives of the various economic sectors in Puerto Rico.

Local Structure

The Local Areas are made up of 12 consortia of municipalities and three which are independent municipalities. The Local Areas include the Local Mayors Boards, Local Investment Boards and the Executive Directors who are in charge of the One Stop Centers of each area and of the Local Offices which are located in the different municipalities served by their corresponding areas. Each of the Local Areas, through the One Stop Centers and Local Offices provide the direct employment and training services under the Adult, Dislocated Workers and Youth Programs.



Required reporting

According to the reporting requirements contain on WIA Sections 136(d) (1) and (2) and 185 (d), we include the following Performance Analysis and Data.

This includes:

Performance data con core and customer satisfaction measures, including progress of local areas in the state in achieving local performance measures.

For PY 2008, The Commonwealth of Puerto Rico met or exceeded the negotiated targets on all seventeen measures. The following tables present an overall view of Puerto Rico's PY 2008 Adult, Dislocated Worker, and Youth Measures performance.

Table A- Customer Satisfaction

Customer Satisfaction	Negotiated Performance Level	Actual Performance Level - American Customer Satisfaction Index	Number of Surveys Completed	Number of Customers Eligible for The Survey	Number of Customers Included in the Sample	Response Rate
Participants	86%	85.8%	500	1,317	560	89%
Employers	80%	82.1%	500	538	538	93%

Table B - Adult Program Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	84%	79%	2,999 3,810
Employment Retention Rate	90%	93%	2,925 3,134
Average Earnings	\$6,200	\$6,384	6,760,588 1,059
Employment And Credential Rate	72%	63%	1,439 2,267

Table C - Outcomes for Adult Special Populations

Reported Information	Public Assistance Recipients Receiving Intensive or Training Services		Veterans		Individuals with Disabilities		Older Individuals	
	%	Count	%	Count	%	Count	%	Count
Entered Employment Rate	76%	2,469	79%	2,999	59%	58	82%	116
		3,263		3,810		98		142
Employment Retention Rate	93%	2,441	93%	2,925	76%	57	96%	112
		2,628		3,134		75		117
Average Earnings Rate	\$6,368	5,100,555	\$6,384	6,760,588	\$3,916	78,327	\$5,159	123,806
		801		1,059		20		24
Employment and Credential Rate	63%	1,439	63%	1,439	38%	6	45%	37
		2,267		2,267		16		82

Table D - Other Outcome Information for the Adult Program

Reported Information	Individuals Who Received Training Services		Individuals Who Only Received Core and Intensive Services	
	%	Count	%	Count
Entered Employment Rate	86%	1,175	75%	1,824
		1,374		2,436
Employment Retention Rate	93%	1,251	93%	1,674
		1,341		1,793
Average Earnings Rate	\$7,364	3,240,211	\$5,687	3,520,377
		440		619

PROGRAM: DISLOCATED WORKER

Table E - Dislocated Worker Program Results At-A-Glance

Reported Information	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	86%	89%	1,348 1,516
Employment Retention Rate	91%	95%	1,324 1,401
Average Earnings	\$7,000	\$7,069	4,121,424 583
Employment And Credential Rate	74%	83%	403 483

Table F - Outcomes for Dislocated Worker Special Populations

Reported Information	Veterans		Individuals with Disabilities		Older Individuals		Displaced Homemakers	
	Rate	Count	Rate	Count	Rate	Count	Rate	Count
Entered Employment Rate	89%	1,347	100%	7	72%	43	88%	105
		1,515		7		60		119
Employment Retention Rate	95%	1,323	100%	5	91%	43	100%	59
		1,400		5		47		59
Average Earnings Rate	\$7,069	4,121,424	\$5,260	5,260	\$6,772	88,040	\$8,951	179,027
		583		1		13		20
Employment and Credential Rate	100%	403		0	86%	12	70%	32
		403		0		14		46

PROGRAM: DISLOCATED WORKER

Table G - Other Outcome Information for Dislocated Worker Program

Reported Information	Individuals Who Received Training Services		Individuals Who Only Received Core and Intensive Services	
Entered Employment Rate	91%	435	88%	913
		480		1,036
Employment Retention Rate	93%	425	95%	899
		456		945
Average Earnings Rate	\$7,372	1,327,014	\$6,934	2,794,410
		180		403

PROGRAM: YOUTH

Table H.1 - Youth (14-21) Program Results			
Reported Information	Negotiated Performance Level	Actual Performance Level	
Placement in Employment or Education	Na	35%	5,665
			16,257
Attainment of Degree or Certificate	Na	18%	2,533
			14,385
Literacy and Numeracy Gains	Na	0%	0
			1,490

Table H.2 - Older Youth Results At-A-Glance			
Reported Information	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	69%	71%	388
			548
Employment Retention Rate	88%	94%	374
			396
Earnings Change in Six Months	\$3,300	\$3,057	18,344
			6
Employment And Credential Rate	72%	67%	712
			1,059

Table I - Outcomes for Older Youth Special Populations								
Reported Information	Public Assistance Recipients Receiving Intensive or Training Services		Veterans		Individuals with Disabilities		Older Individuals	
	Entered Employment Rate	71%	388	71%	386	45%	10	71%
		548		546		22		364
Employment Retention Rate	94%	374	94%	373	100%	6	94%	257
		396		395		6		274
Average Earnings Rate	\$3,057	18,344	\$3,057	18,344	#DIV/o!	0	\$1,066	2,132
		6		6		0		2
Credential Rate	67%	712	67%	710	32%	10	59%	290
		1,059		1,057		31		494

PROGRAM: YOUTH

Table J - Younger Youth Results At-A-Glance

Reported Information	Negotiated Performance Level	Actual Performance Level	
Skill Attainment Rate	98%	95%	11,562 12,151
Diploma or Equivalent Attainment Rate	72%	79%	3,057 3,866
Retention Rate	80%	84%	3,028 3,620

Table K - Outcomes for Younger Youth Special Populations

Reported Information	Public Assistance Recipients Receiving Intensive or Training Services		Individuals with Disabilities		Out-of-School Youth	
Skill Attainment Rate	95%	11,562 12,151	97%	329 339	93%	590 633
Youth Diploma or Equivalent Rate	79%	3,057 3,866	36%	23 64	35%	333 939
Retention Rate	84%	3,028 3,620	86%	37 43	58%	429 743

OTHER REPORTED INFORMATION

Table L - Other Reported Information

Reported Information	12 Month Employment Retention Rate		12 Month Earning Increase (Adults and Older Youth) or Earning Replacement (Dislocated Workers)		Placement in Non-traditional Employment		Wages at Entry Into Employment For Those Individuals Who Entered Unsubsidized Employment		Entry Into Unsubsidized Employment Related to the Training Received of Those Who Completed Training Services	
	%	Count	\$	Count	%	Count	\$	Count	%	Count
Adults	67%	2,110	\$3,347	3,996,779	4%	121	\$2,577	3,749,930	63%	736
		3,133		1,194		3,000		1,455		1,176
Dislocated workers	66%	895	\$1	3,933,499	1%	8	\$3,182	2,418,156	78%	341
		1,362		3,251,865		1,348		760		435
Older Youths	48%	163	\$3,324	16,618	5.9%	23	\$807	5,647		
		343		5		388		7		

Table M - Participation Levels

Reported Information	Total Participants Served	Total Exiters
Total Adult Customers	20,338	6,404
Total Adult self-service only	518	49
WIA Adult	12,662	5,072
WIA Dislocated Workers	7,676	1,344
Total Youth (14-21)	23,091	17,301
Younger youth (14-18)	18,986	16,204
Older Youth (19-21)	4,105	1,097
Out-of-School Youth	6,168	2,221
In-School Youth	16,923	15,080

COST OF PROGRAM ACTIVITIES

Table N - Cost of Program Activities		
Puerto Rico 2008-09		
Table N - Cost of Program Activities		
Program Activity		Total Federal Spending
Local Adults		\$37,145,653
Local Dislocated Workers		\$36,781,811
Local Youth		\$33,528,307
Rapid Response (up to 25%) WIA Section 134(a)(2)(B)		\$9,985,022
Statewide Required Activities WIA Section 134(a)(2)(B)		\$2,936,800
Statewide Allowable Activities WIA Section 134(a)(3)	Program Activity Description	\$18,996,062
	Local Areas	\$1,560,582
	PR Department of Correction	\$444,995
	Community Base Organization Sendero de la Cruz	\$90,331
	AAFET	\$183,003
	Youth Affairs Office	\$65,324
	OFSA	\$517,055
	Vocational Rehabilitation Administration	\$657,000
	Community Base Organization Polytechnic Amigo	\$443,805
	Puerto Rico Commonwealth Human Resource Office	\$9,721,883
	PR TUTV	\$255,770
	Community Base Organization Job Connections	\$461,700
	Youth at Risk, Inc.	\$74,130
	Rigth to Employment Administration	\$4,438,009
	Other projects	\$82,475
Total of All Federal Spending Listed Above		\$139,373,655

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	555		
San Juan	1,467	Dislocated Workers	73		
		Older Youth	137		
		Younger Youth	702		
		Total Exiters	158		
		ETA Assigned #	490	Dislocated Workers	27
				Older Youth	61
				Younger Youth	244
				Negotiated Performance Level	Actual Performance Level
		72005			
		Customer Satisfaction	Program Participants	82%	88%
Entered Employment Rate	Employers	76%	75%		
	Adults	84%	89%		
	Dislocated Workers	86%	100%		
	Older Youth	69%	100%		
Retention Rate	Adults	90%	98%		
	Dislocated Workers	91%	97%		
	Older Youth	88%	100%		
	Younger Youth	80%	93%		
Earnings Change/Earnings Replacement in six months	Adults	\$6,200	\$6,481		
	Dislocated Workers	\$7,000	\$7,521		
Credential/Diploma Rate	Older Youth	\$3,100	no data		
	Adults	72%	85%		
	Dislocated Workers	74%	86%		
	Older Youth	72%	86%		
Skill Attainment Rate	Younger Youth	70%	74%		
	Younger Youth	96%	100%		
Placement in Employment or Education	Youth (14-21)	n/a	13%		
	Attainment of Degree or Certificate	n/a	25%		
	Literacy or Numeracy Gains	n/a	0%		
Overall Status of Local Performance	Not Met	Met	Exceeded		
	0	2	14		

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	511
Bayamón/Comerío	1,714	Dislocated Workers	288
		Older Youth	137
ETA Assigned #	Total Exiters	Younger Youth	778
		Adults	332
72065	1,643	Dislocated Workers	116
		Older Youth	76
		Younger Youth	1,119
		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants	82%	85%
	Employers	80%	82%
Entered Employment Rate	Adults	84%	98%
	Dislocated Workers	86%	95%
	Older Youth	69%	100%
Retention Rate	Adults	90%	100%
	Dislocated Workers	91%	100%
	Older Youth	88%	98%
	Younger Youth	80%	93%
Earnings Change/Earnings Replacement in six months	Adults	\$6,200	\$6,381
	Dislocated Workers	\$7,000	\$8,286
	Older Youth	\$3,300	\$3,073
Credential/Diploma Rate	Adults	72%	84%
	Dislocated Workers	74%	79%
	Older Youth	72%	96%
	Younger Youth	72%	98%
Skill Attainment Rate	Younger Youth	98%	98%
Placement in Employment or Education	Youth (14-21)	n/a	100%
Attainment of Degree or Certificate	Youth (14-21)	n/a	75%
Literacy or Numeracy Gains	Youth (14-21)	n/a	0%
Overall Status of Local Performance	Not Met	Met	Exceeded
	0	1	16

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	483	
Ponce Municipality	2,920	Dislocated Workers	271	
		Older Youth	389	
		Younger Youth	1,777	
	ETA Assigned #	Total Exiters	Adults	82
			Dislocated Workers	54
	72055	1,271	Older Youth	20
			Younger Youth	1,115
			Negotiated Performance Level	Actual Performance Level
	Customer Satisfaction	Program Participants	86%	86%
	Entered Employment Rate	Employers	80%	59%
Adults		75%	78%	
Dislocated Workers		76%	92%	
Retention Rate	Older Youth	69%	73%	
	Adults	89%	90%	
	Dislocated Workers	86%	91%	
Earnings Change/Earnings Replacement in six months	Older Youth	88%	100%	
	Younger Youth	79%	80%	
	Adults	\$6,200	\$6,211	
Credential/Diploma Rate	Dislocated Workers	\$7,000	\$6,838	
	Older Youth	\$3,300	no data	
	Adults	65%	67%	
Skill Attainment Rate	Dislocated Workers	73%	77%	
	Older Youth	72%	81%	
	Younger Youth	72%	78%	
Placement in Employment or Education	Younger Youth	98%	100%	
	Youth (14-21)	n/a	96%	
	Youth (14-21)	n/a	1%	
Attainment of Degree or Certificate	Youth (14-21)	n/a	0%	
	Literacy or Numeracy Gains	n/a		
	Overall Status of Local Performance	Not Met	Met	Exceeded
	1	2	14	

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	1,439		
Caguas/Guayama	4,564	Dislocated Workers	1,516		
		Older Youth	182		
		Younger Youth	1,427		
		ETA Assigned #	Total Exitters	Adults	616
		72040	1,682	Dislocated Workers	395
				Older Youth	39
				Younger Youth	632
				Negotiated Performance Level	Actual Performance Level
		Customer Satisfaction	Program Participants	81%	89%
			Employers	80%	87%
Entered Employment Rate	Adults	80%	83%		
	Dislocated Workers	86%	87%		
Retention Rate	Older Youth	69%	72%		
	Adults	81%	91%		
	Dislocated Workers	90%	93%		
	Older Youth	88%	96%		
	Younger Youth	80%	81%		
Earnings Change/Earnings Replacement in six months	Adults	\$5,686	\$6,572		
	Dislocated Workers	\$7,000	\$7,556		
	Older Youth	\$3,300	\$7,558		
Credential/Diploma Rate	Adults	66%	71%		
	Dislocated Workers	74%	76%		
	Older Youth	64%	78%		
	Younger Youth	72%	95%		
Skill Attainment Rate	Younger Youth	98%	100%		
Placement in Employment or Education	Youth (14-21)	n/a	65%		
Attainment of Degree or Certificate	Youth (14-21)	n/a	60%		
Literacy or Numeracy Gains	Youth (14-21)	n/a	0%		
Overall Status of Local Performance	Not Met	Met	Exceeded		
	0	0	17		

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	672
Carolina Municipality ETA Assigned # 72045 Customer Satisfaction Entered Employment Rate Retention Rate Earnings Change/Earnings Replacement in six months Credential/Diploma Rate Skill Attainment Rate Placement in Employment or Education Attainment of Degree or Certificate Literacy or Numeracy Gains Overall Status of Local Performance	1,821	Dislocated Workers	359
		Older Youth	232
		Younger Youth	558
	Total Exitters	Adults	133
		Dislocated Workers	60
	384	Older Youth	54
		Younger Youth	137
		Negotiated Performance Level	Actual Performance Level
	Program Participants	86%	89%
	Employers	80%	89%
	Adults	84%	94%
		Dislocated Workers	86%
	Older Youth	69%	70%
		Adults	90%
	Dislocated Workers	91%	100%
Older Youth		88%	100%
Younger Youth	80%	89%	
Adults	\$6,200	\$6,534	
	Dislocated Workers	\$7,000	\$6,519
Older Youth	\$3,300	no data	
Adults	72%	87%	
	Dislocated Workers	74%	83%
Older Youth	72%	74%	
Younger Youth	72%	79%	
Younger Youth	98%	no data	
Youth (14-21)	n/a	80%	
Youth (14-21)	n/a	100%	
Youth (14-21)	n/a	0%	
Not Met	Met	Exceeded	
0	1	14	

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	1,290	
North West Consotium	4,595	Dislocated Workers	780	
		Older Youth	355	
		Younger Youth	2,170	
	ETA Assigned # 72080	Total Exiters	Adults	72
			Dislocated Workers	54
		906	Older Youth	8
			Younger Youth	772
			Negotiated Performance Level	Actual Performance Level
	Customer Satisfaction	Program Participants	82%	89%
	Entered Employment Rate	Employers	80%	90%
Adults		84%	95%	
Dislocated Workers		86%	100%	
Older Youth		69%	87%	
Retention Rate	Adults	89%	95%	
	Dislocated Workers	87%	98%	
	Older Youth	88%	95%	
	Younger Youth	80%	85%	
Earnings Change/Earnings Replacement in six months	Adults	\$5,800	\$5,827	
	Dislocated Workers	\$5,100	\$6,932	
Credential/Diploma Rate	Older Youth	\$3,300	no data	
	Adults	72%	89%	
	Dislocated Workers	70%	94%	
	Older Youth	72%	84%	
	Younger Youth	72%	91%	
Skill Attainment Rate	Younger Youth	98%	96%	
Placement in Employment or Education	Youth (14-21)	n/a	99%	
Attainment of Degree or Certificate	Youth (14-21)	n/a	25%	
Literacy or Numeracy Gains	Youth (14-21)	n/a	0%	
Overall Status of Local Performance	Not Met	Met	Exceeded	
	0	3	13	

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	1,152
North Central Arecibo	3,134	Dislocated Workers	647
		Older Youth	204
ETA Assigned #	Total Exiters	Younger Youth	1,131
		Adults	204
72075	910	Dislocated Workers	39
		Older Youth	59
		Younger Youth	608
		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants	78%	66%
	Employers	80%	81%
Entered Employment Rate	Adults	84%	57%
	Dislocated Workers	78%	83%
Retention Rate	Older Youth	69%	45%
	Adults	84%	87%
	Dislocated Workers	87%	79%
	Older Youth	84%	90%
	Younger Youth	79%	68%
Earnings Change/Earnings Replacement in six months	Adults	\$6,200	\$4,544
	Dislocated Workers	\$5,600	\$5,269
	Older Youth	\$3,300	no data
Credential/Diploma Rate	Adults	72%	85%
	Dislocated Workers	70%	93%
	Older Youth	72%	48%
	Younger Youth	72%	85%
Skill Attainment Rate	Younger Youth	98%	99%
Placement in Employment or Education	Youth (14-21)	n/a	70%
Attainment of Degree or Certificate	Youth (14-21)	n/a	43%
Literacy or Numeracy Gains	Youth (14-21)	n/a	0%
Overall Status of Local Performance	Not Met	Met	Exceeded
	4	4	8

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	804
North Central Dorado ETA Assigned # 72070 Customer Satisfaction Entered Employment Rate Retention Rate Earnings Change/Earnings Replacement in six months Credential/Diploma Rate Skill Attainment Rate Placement in Employment or Education Attainment of Degree or Certificate Literacy or Numeracy Gains Overall Status of Local Performance	3,015	Dislocated Workers	598
		Older Youth	416
		Younger Youth	1,197
		Adults	122
	Total Exitters	Dislocated Workers	26
		Older Youth	33
	338	Younger Youth	157
		Negotiated Performance Level	Actual Performance Level
	Program Participants	82%	87%
	Employers	80%	82%
	Adults	94%	91%
		Dislocated Workers	86%
	Older Youth	69%	75%
		Adults	90%
Dislocated Workers	91%	97%	
	Older Youth	88%	93%
Younger Youth	80%	85%	
Adults	\$6,200	\$6,180	
	Dislocated Workers	\$6,100	\$9,323
Older Youth	\$3,300	no data	
Adults	72%	73%	
	Dislocated Workers	74%	88%
Older Youth	67%	73%	
Younger Youth	72%	96%	
Younger Youth	98%	99%	
Youth (14-21)	n/a	100%	
Youth (14-21)	n/a	0%	
Youth (14-21)	n/a	0%	
Not Met	Met	Exceeded	
	0	2	14

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	949
North East Consortium	2,787	Dislocated Workers	283
		Older Youth	155
ETA Assigned #	Total Exiters	Younger Youth	1,400
		Adults	277
72105	1,629	Dislocated Workers	112
		Older Youth	73
		Younger Youth	1,167
		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants	79%	85%
	Employers	76%	74%
Entered Employment Rate	Adults	79%	83%
	Dislocated Workers	78%	97%
	Older Youth	69%	75%
Retention Rate	Adults	90%	98%
	Dislocated Workers	91%	100%
	Older Youth	88%	100%
	Younger Youth	80%	86%
Earnings Change/Earnings Replacement in six months	Adults	\$6,200	\$5,231
	Dislocated Workers	\$6,750	\$7,367
	Older Youth	\$3,300	no data
Credential/Diploma Rate	Adults	66%	70%
	Dislocated Workers	74%	89%
	Older Youth	67%	72%
	Younger Youth	72%	76%
Skill Attainment Rate	Younger Youth	98%	97%
Placement in Employment or Education	Youth (14-21)	n/a	11%
Attainment of Degree or Certificate	Youth (14-21)	n/a	92%
Literacy or Numeracy Gains	Youth (14-21)	n/a	0%
Overall Status of Local Performance	Not Met	Met	Exceeded
	0	3	13

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	1,162		
South East Consortium	4,097	Dislocated Workers	714		
		Older Youth	583		
		Younger Youth	1,638		
		ETA Assigned #	Total Exitters	201	
		72100	1,270	Dislocated Workers	148
				Older Youth	86
				Younger Youth	835
		Customer Satisfaction	Program Participants	Negotiated Performance Level	Actual Performance Level
		Entered Employment Rate	Employers	86%	90%
			Adults	80%	80%
Retention Rate	Adults	84%	85%		
	Dislocated Workers	86%	89%		
	Older Youth	61%	82%		
	Younger Youth	89%	89%		
Earnings Change/Earnings Replacement in six months	Dislocated Workers	88%	88%		
	Older Youth	83%	90%		
	Younger Youth	80%	70%		
Credential/Diploma Rate	Adults	\$6,200	\$5,136		
	Dislocated Workers	\$6,365	\$7,017		
	Older Youth	\$3,300	no data		
Skill Attainment Rate	Adults	72%	90%		
	Dislocated Workers	74%	83%		
	Older Youth	72%	97%		
	Younger Youth	72%	81%		
Placement in Employment or Education	Younger Youth	98%	100%		
	Youth (14-21)	n/a	77%		
	Youth (14-21)	n/a	16%		
Attainment of Degree or Certificate	Youth (14-21)	n/a	0%		
	Youth (14-21)	n/a	0%		
Literacy or Numeracy Gains	Overall Status of Local Performance	Not Met	Met		
	0	3	Exceeded		
			13		

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	480
South Central Consortium	3,013	Dislocated Workers	476
		Older Youth	507
ETA Assigned #	Total Exiters	Younger Youth	1,550
		Adults	121
72095	2,090	Dislocated Workers	73
		Older Youth	243
		Younger Youth	1,653
		Negotiated Performance Level	Actual Performance Level
Customer Satisfaction	Program Participants	86%	87%
	Employers	80%	81%
Entered Employment Rate	Adults	84%	96%
	Dislocated Workers	86%	94%
	Older Youth	69%	88%
Retention Rate	Adults	88%	94%
	Dislocated Workers	90%	98%
	Older Youth	88%	96%
	Younger Youth	80%	93%
Earnings Change/Earnings Replacement in six months	Adults	\$5,500	\$4,392
	Dislocated Workers	\$5,700	\$5,576
	Older Youth	\$3,300	no data
Credential/Diploma Rate	Adults	72%	85%
	Dislocated Workers	74%	87%
	Older Youth	72%	96%
	Younger Youth	72%	92%
Skill Attainment Rate	Younger Youth	98%	100%
Placement in Employment or Education	Youth (14-21)	n/a	72%
Attainment of Degree or Certificate	Youth (14-21)	n/a	0%
Literacy or Numeracy Gains	Youth (14-21)	n/a	0%
Overall Status of Local Performance	Not Met	Met	Exceeded
	0	2	14

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	1,167		
South West Consortium	4,894	Dislocated Workers	759		
		Older Youth	443		
		Younger Youth	2,525		
		ETA Assigned #	Total Exitters	Adults	154
		72090	1,002	Dislocated Workers	37
				Older Youth	107
				Younger Youth	704
				Negotiated Performance Level	Actual Performance Level
		Customer Satisfaction	Program Participants	81%	88%
			Employers	80%	84%
Entered Employment Rate	Adults	84%	82%		
	Dislocated Workers	86%	82%		
	Older Youth	62%	53%		
Retention Rate	Adults	89%	95%		
	Dislocated Workers	89%	100%		
	Older Youth	88%	93%		
	Younger Youth	80%	82%		
Earnings Change/Earnings Replacement in six months	Adults	\$6,200	\$4,995		
	Dislocated Workers	\$6,000	\$5,082		
Credential/Diploma Rate	Older Youth	\$3,300	no data		
	Adults	72%	80%		
	Dislocated Workers	74%	92%		
	Older Youth	72%	83%		
	Younger Youth	72%	61%		
Skill Attainment Rate	Younger Youth	98%	99%		
Placement in Employment or Education	Youth (14-21)	n/a	72%		
Attainment of Degree or Certificate	Youth (14-21)	n/a	1%		
Literacy or Numeracy Gains	Youth (14-21)	n/a	0%		
Overall Status of Local Performance	Not Met	Met	Exceeded		
	0	6	10		

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	273
Mayagüez/Las Marías	1,050	Dislocated Workers	314
		Older Youth	75
ETA Assigned #	Total Exitters	Younger Youth	388
72085	540	Adults	94
		Dislocated Workers	26
Customer Satisfaction	Program Participants	Older Youth	31
		Younger Youth	389
Entered Employment Rate	Adults	Negotiated Performance Level	Actual Performance Level
		Dislocated Workers	92%
Retention Rate	Older Youth	Employers	87%
		Younger Youth	80%
Earnings Change/Earnings Replacement in six months	Adults	Adults	90%
		Dislocated Workers	90%
Credential/Diploma Rate	Older Youth	Older Youth	88%
		Younger Youth	88%
Skill Attainment Rate	Younger Youth	Adults	80%
		Dislocated Workers	86%
Placement in Employment or Education	Youth (14-21)	Dislocated Workers	89%
		Older Youth	63%
Attainment of Degree or Certificate	Youth (14-21)	Adults	\$6,200
		Dislocated Workers	\$6,032
Literacy or Numeracy Gains	Youth (14-21)	Older Youth	\$2,923
		Dislocated Workers	72%
Overall Status of Local Performance	Not Met	Older Youth	97%
		Met	91%
	0	0	16

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	503
Guaynabo/Toa Baja	1,569	Dislocated Workers	72
		Older Youth	93
ETA Assigned #	Total Exitters	Younger Youth	901
		Adults	58
72110	590	Dislocated Workers	1
		Older Youth	17
Customer Satisfaction	Program Participants	Younger Youth	514
		Negotiated Performance Level	Actual Performance Level
Entered Employment Rate	Employers	86%	91%
		80%	61%
Retention Rate	Adults	84%	94%
		Dislocated Workers	86%
Earnings Change/Earnings Replacement in six months	Older Youth	68%	75%
		Adults	90%
Credential/Diploma Rate	Dislocated Workers	91%	100%
		Older Youth	88%
Skill Attainment Rate	Younger Youth	74%	80%
		Adults	\$6,200
Placement in Employment or Education	Dislocated Workers	\$6,771	\$4,178
		Older Youth	\$3,300
Attainment of Degree or Certificate	Adults	72%	100%
		Dislocated Workers	74%
Literacy or Numeracy Gains	Older Youth	72%	81%
		Younger Youth	72%
Overall Status of Local Performance	Younger Youth	95%	98%
		Youth (14-21)	n/a
	Youth (14-21)	n/a	0%
	Youth (14-21)	n/a	0%
	Not Met	Met	Exceeded
	0	2	14

PERFORMANCE PROGRESS- LOCAL LEVEL

Local Area Name	Total Participants Served	Adults	1,222		
Cidra/Villalba	2,789	Dislocated Workers	526		
		Older Youth	197		
		Younger Youth	844		
		ETA Assigned #	Total Exitters	Adults	69
		72115	743	Dislocated Workers	52
				Older Youth	62
				Younger Youth	560
				Negotiated Performance Level	Actual Performance Level
		Customer Satisfaction	Program Participants	81%	81%
			Employers	80%	90%
Entered Employment Rate	Adults	84%	100%		
		Dislocated Workers	86%	100%	
		Older Youth	66%	100%	
Retention Rate	Adults	85%	100%		
		Dislocated Workers	86%	100%	
		Older Youth	88%	100%	
		Younger Youth	80%	100%	
Earnings Change/Earnings Replacement in six months	Adults	\$600	\$4,649		
		Dislocated Workers	\$6,630	\$6,628	
Credential/Diploma Rate	Older Youth	\$3,300	no data		
		Adults	71%	100%	
		Dislocated Workers	74%	100%	
		Older Youth	69%	97%	
		Younger Youth	72%	96%	
Skill Attainment Rate	Younger Youth	98%	99%		
Placement in Employment or Education	Youth (14-21)	n/a	32%		
Attainment of Degree or Certificate	Youth (14-21)	n/a	32%		
Literacy or Numeracy Gains	Youth (14-21)	n/a	0%		
Overall Status of Local Performance	Not Met	Met	Exceeded		
	0	3	13		

State Outcomes

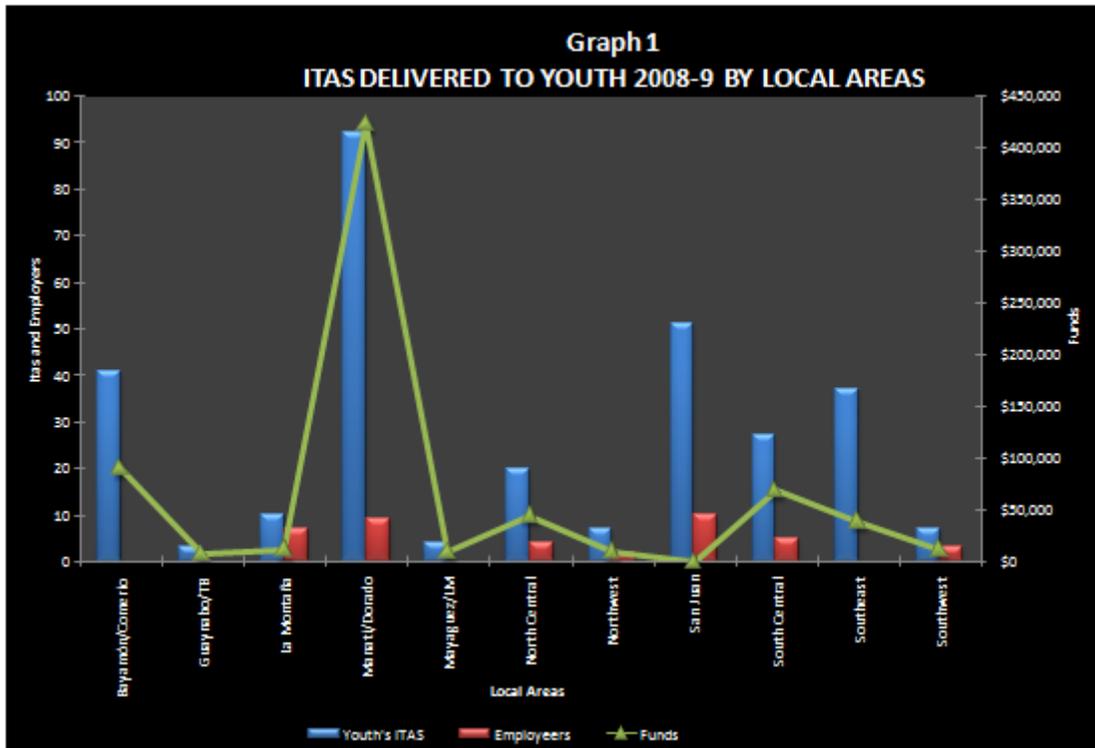
Waivers Outcomes

The Government of Puerto Rico received the approval in Program Year 2008-09, of seven waivers of statutory and regulatory requirements under the Workforce Investment Act (WIA) regulations, to offer flexibility to State and Local Workforce Areas. As instructed in TEGL 14-00 Change 3 of August 24, 2009, information is provided about the use of the approved waivers during 2008-2009:

- **Waiver on the Prohibition on Use of Individual Training Accounts for Youth**

Puerto Rico requested this waiver to allow older and out-of-school youth, to select approved Individual Training Accounts (ITA's) programs from Eligible Training Providers (ETP) Lists, while retaining their "youth" classification. The needs of some older youth can best be met, with an additional training option that could expedite the education process. Older youth's primary interest lies in obtaining self-sufficient, full time employment. The use of ITAS's with older youth was based on customer's choice and availability of other program elements to fulfill their needs.

During program year 2008-09, eleven (11) of the fifteen (15) local areas delivered individual training accounts (ITA's) for youths. A total of 299 older youths benefitted from this waiver, as represented in Graph 1. Local Areas of Manati/Dorado and San Juan were the ones with more ITA's granted, with 92 and 51 ITA's respectively and both represent a 48% of the total of the delivered ITA's. The funds allocated for these 299 youth were of approximately of \$716,766 with an average cost of \$2,397 per youth.



Through this waiver Local Areas had enough flexibility to deliver services based on the individual needs of participants as intended under WIA. It also helped reduce the paperwork and tracking of dual enrollment which is currently necessary for older youth to access occupational skills training through the Adult ITA's as well as time consuming procurement process.

- **Waiver to employer match for Customized Training to a sliding scale.**

During Program Year 2008-09, this waiver was used by the Southeast Local Area to deliver customized training, in order to fulfill employers' needs. This Local Area delivered customized training to 28 employees, in three workplaces. The funds invested were \$105,724, with an average cost of \$3,776 per participant.

Through this waiver, the Government of Puerto Rico has a useful tool for addressing small and medium-sized companies that require constant updating of their technology and production processes. With the current economic recession worldwide, companies do not have enough resources to pay the costs of training in order to improve employees' skills. The WIA system becomes a valuable resource because it promotes the competitiveness among small and medium-sized companies, for the job retention of employees that lack of competitive skills, either by the introduction of new products or technologies. Many industries cannot afford training costs related to the acquisition of new technologies, necessary to stay competitive and survive in the global market. WIA funds are an essential tool to strengthen the competitive capacity on the industries through training employees and overcoming skill gaps.

- **Waiver for use of State set-aside Rapid Response funds for the Incumbent Workers Training Program**

Puerto Rico Workforce Investment System faces a continuous and increasing demand from the private sector requesting training for incumbent workers. Mainly, these requests rise from the pharmaceutical and electronic industries,

first in the private sector generating job activity, island wide.

Primarily, training needs for incumbent workers are attributed to the constant changes in manufacturing technologies and development of new products, requiring employees' skills improvement in both, production and its corresponding quality control systems.

In the last years, the HRODC approved 14 special projects to companies in order to train incumbent's workers upgrading their skills and so they could retain their jobs. An investment of approximately \$4.8 million was made for training incumbent workers due to the introduction of new technology and products.

Specialized industries like pharmaceutical, medical devices and electronics, requested activities of Customized Training in ISO, LEAN Manufacturing and other production processes, to upgrade their incumbent workers skills.

These certifications were required by the industries, so employees can retain their jobs. During the last two years we delivered services to 4,059 incumbent workers.

Pharmaceuticals, like Baxter, Schering Plough, and Ethicon, benefitted from these trainings. Also, Essilor medical devices industry and retail services industries as "Panaderia Los Cidrines", among others.

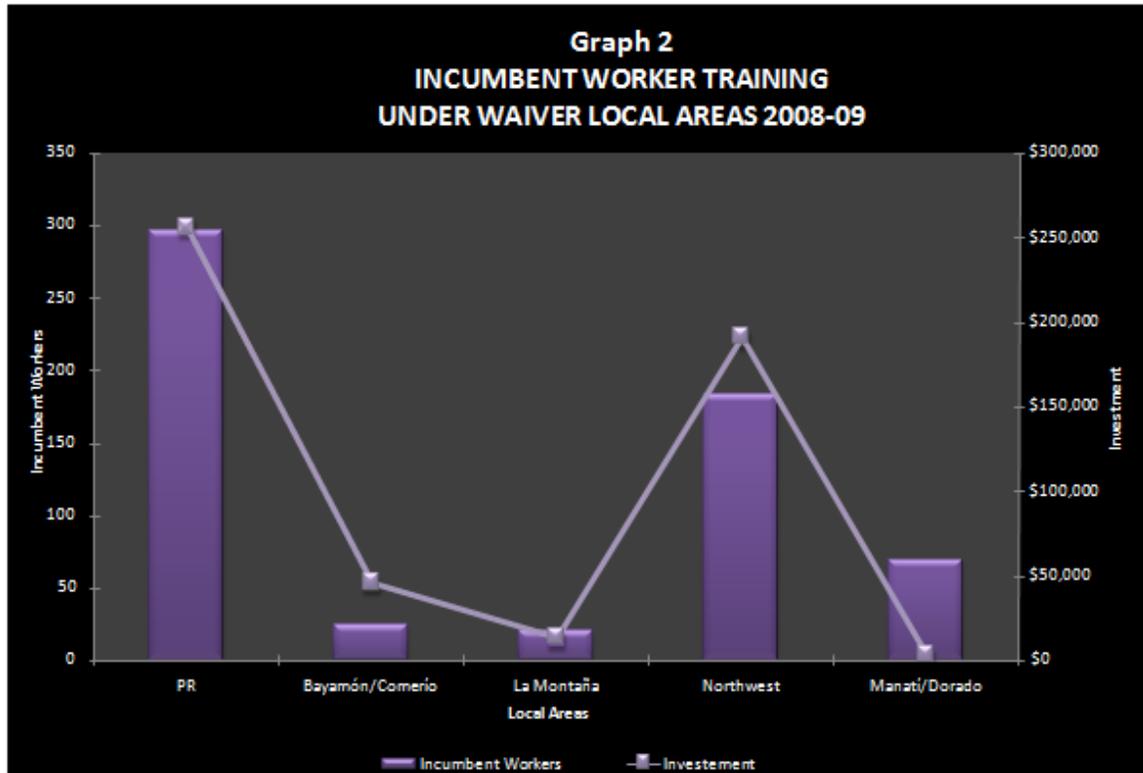
This waiver has been a very successful tool for the Government of Puerto Rico, in order to face the challenge of retaining key industries and to promote the Island as an investment site, with high educated workers and proactive solutions to avert massive layoffs and retain jobs.

One of the best examples of the effectiveness of this waiver is Essilor Industries, Inc. This is a European company with operations based in Ponce, Puerto Rico. It developed a new technology for the production of progressive adjustment optical lenses. This plant employs over 300 workers and needed to retrain its production line, and the quality control and safety control personnel on the new technology implemented. This was an expensive operation made feasible through WIA assistance. This industry was at risk of leaving the Island to transfer their operation to a foreign country outside USA territory, in order to consolidate operations and decrease production's cost. Through the incumbent workers program, the employees were able to upgrade their skills in new technology and products. This company consolidated its operation in Puerto Rico and will create more high growth and high demand jobs.

Another example of industries with successful outcomes which benefited from the program was Baxter. After 134 employees completed OJT on the introduction of new production lines and technology, 13 employees got promoted as supervisors and the remaining employees received a salary increase.

▪ ***Incumbent Worker Training at the Local Area Level***

This waiver was used by four (4) Local Areas which developed customized training to upgrade incumbent workers skills using the flexibility of this waiver. As shown in Graph 2, the Local Areas provided customized training to 296 incumbent workers with an investment of \$255,740, for an average cost of \$864 per participant.



We have requested an extension of this waiver for 2009-2010. An outreach campaign will be developed in order to attract companies and their incumbent workers to develop Customized Training activities with local formula funds. In order to promote the programmatic activity, this outreach will be geared to notify employers about the availability of this waiver, as part of the layoff aversion strategy.

During the last quarter of 2008-2009, the HRODC developed the web page www.puertoricotrabaja.com, which displays the Puerto Rico's Workforce Investment System services available for youth, adults, dislocated workers and

for employers. Through this web page, the HRODC began to implement an appropriate outreach strategy to promote training services for incumbent workers that require an up-grading of their skills.

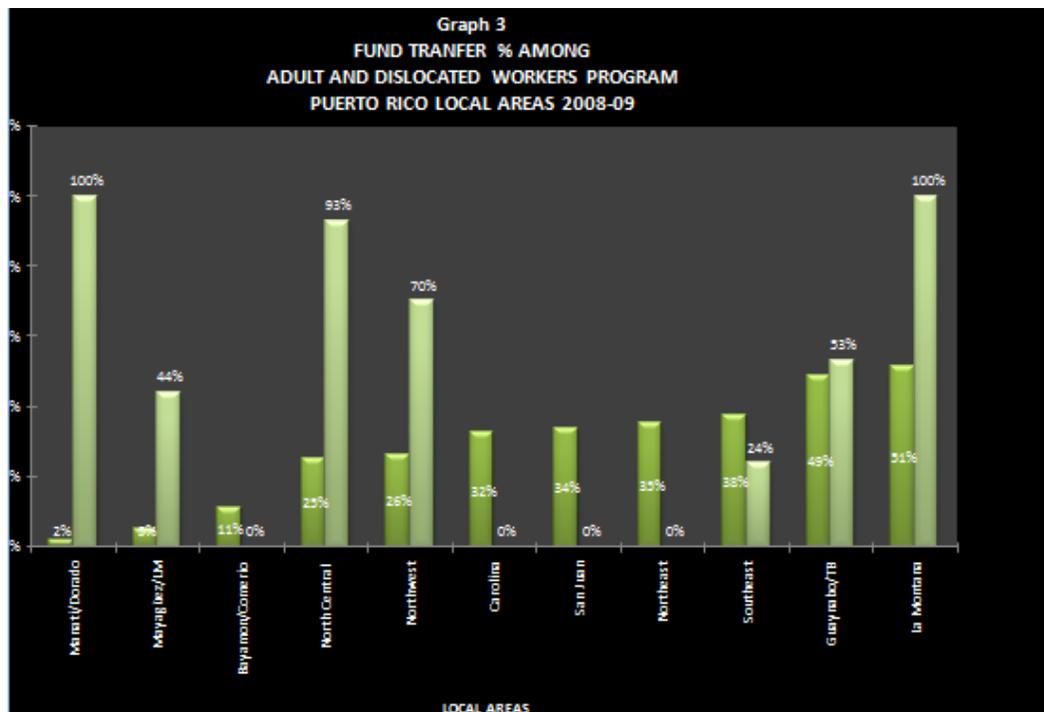
A. Waiver on the use of funds for the capitalization of business pursuant to WIA section 181(e)

The HRODC requested this waiver for the use of funds for the capitalization of business at WIA section 181(e) to permit the use of WIA funds be used to capitalize a small business up to \$5,000 in accordance with entrepreneurial or micro enterprise training. This waiver was an initiative of the Puerto Rico State Board, as a resource to launch entrepreneurship and help the unemployed to conceptualize and develop their own business. The micro-businesses are a very important sector in the Puerto Rican economy. The Small and Medium Companies (PYMES by its Spanish acronym) represent a great proportion of the economic activity and employment in the industrialized countries. It is estimated that small enterprises in PR employed 75% of the workforce in the private sector and around 90% of all new jobs are in businesses with less than 100 employees.

This waiver was not used due to several reasons. First of all, the previous State Board did not complete the policies and procedures needed to fully implement the waiver and to provide appropriate training to Local Areas about the use of these funds, and the waiver regulations were not provided. Also the program lacked a viable strategy to recruit potential entrepreneurs. However, during the last quarter of 2008-2009, a procedure draft was prepared to be fully operational in 2009-10. We requested the approval of extension to this waiver, because it is a great tool to promote economic activities and self-employment.

- Waiver for Transfer Program Year Allocation between Dislocated Workers and Adult Employment Programs**

This waiver allows up to 100 % of the funds transfer between the Adult and the Dislocated Workers Programs. This waiver has been authorized by ETA since the beginning of the 2005-10 planning cycle. The use of this waiver is properly regulated by the Puerto Rico State Board and the HRODC. The Board developed an Administrative Memorandum to establish the regulations and limits to transfer funds between both programs. The Local Areas requesting funds transfers had to justify the transfer of funds from the programs. Also they have to guarantee that in the transfer, source program delivery of service wouldn't be affected.



In Program Year 2008-09, eleven (11) of the 15 Local Areas transferred funds from the Dislocated Workers to the Adult Program. Graph 3 show that transfers made by local areas range between 2 to 51 per cent of Dislocated Workers funds.

Transfers expenditures reflect that three (3) of 11 Local Areas fully expended the transferred funds. Although initially on April 2009, and in the Modification of the 2009-2010 State Plan, an extension of this waiver was requested for 2009-2010, this request was withdrawn on our new Waiver Request of August 31, 2009, mainly due to the increase in unemployment and of dislocated workers, and the economic situation overall.

- ***Waiver of WIA regulations which requires that the Ten Program Elements for Youth be provided by through a competitive procurement process.***

Puerto Rico received the approval for 2008-09 of the waiver from the provision of WIA Section 123 (Identification of Eligible Providers of Youth Activities) requirement, to competitively select providers of the following three (3) of the ten (10) Youth Program Elements:

- Supportive Services
- Follow-up Services
- Paid and unpaid Work Experiences including internships and job shadowing.

In Puerto Rico there are not enough eligible providers in the Local Areas especially in those with rural area participants.

The Local Areas are responsible for coordinating the activities and providing support to the participants. They have a multidisciplinary team with professionals from different state government Departments such as Education, Family, Police; and the Office of Youth Affairs, Community and Faith Based Organizations,

among others, with the necessary expertise to help the One stop Centers develop strategies and procedures to ensure effective delivery of these three waivers. The HRODC provided technical assistance and capacity building to local staff to ensure they had the understanding and knowledge to carry out activities based on the requested waived elements.

By allowing Local Areas case managers to provide Follow-up and Support, the continuity of services was improved and a more efficient delivery system was provided. The goal for requesting that Work Experience be offered by Local Area staff, rather than administering the element through the competitive process, ensured an efficient, cost-effective delivery system oriented to increase the accountability of the program. It resulted in an on-time service delivery and the achievement of stronger ties with the agencies and companies providing work experiences. Through these waivers, Local Areas had cost savings and efficiencies that allowed the Local Workforce System to increase the number of youth served.

The HRODC developed a procedure for Local Areas in order to request the waiver. It also conducted an individual assessment of each Local Area to determine compliance with the conditions for granting the waiver for these three (3) youth program services. The Local Areas had to demonstrate that:

- service providers offering one of these three (3) waived services did not exist in the area;
- didn't received proposals by qualified service providers to offer the services; or
- It has evidence of poor performance of existing service providers.

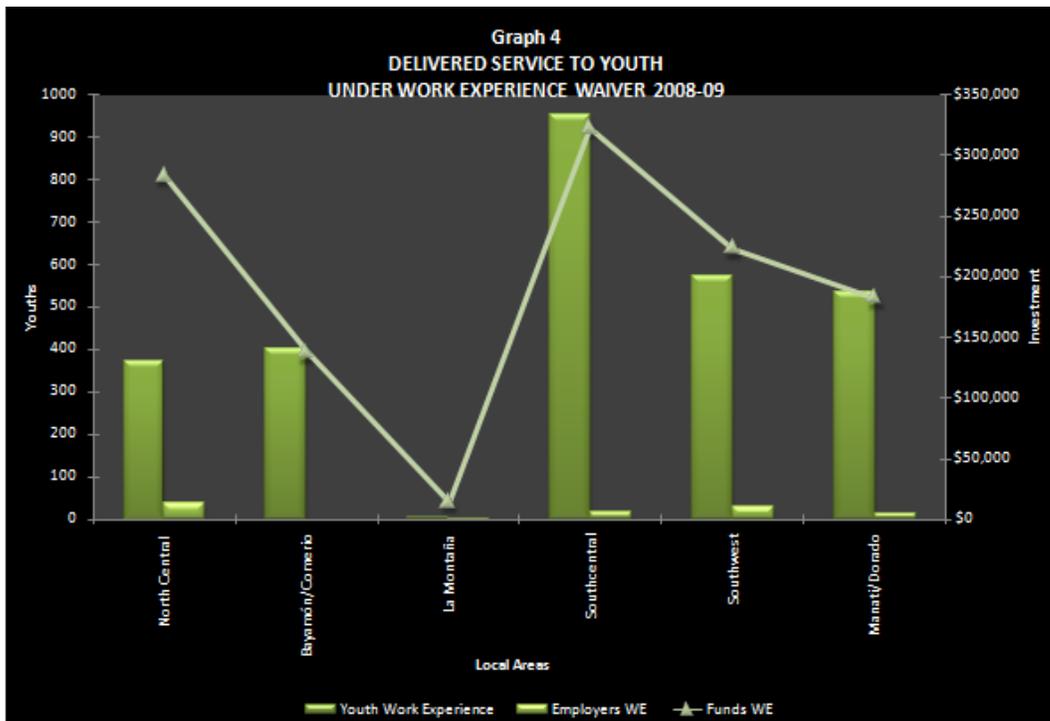
The Local Area submitted to the Council a waiver request for the elements of the youth program, based on their particular needs.

During program year 2008-09, eleven (11) Local Areas received a waiver for the youth program element of Supportive Services, six (6) received the waiver approval for paid and unpaid Work Experiences, including internships and job shadowing and just one (1) Local Area received the waiver for Follow-up Services.

Following is a table presenting the youth elements waivers requested and granted to the Local Areas for 2008-2009:

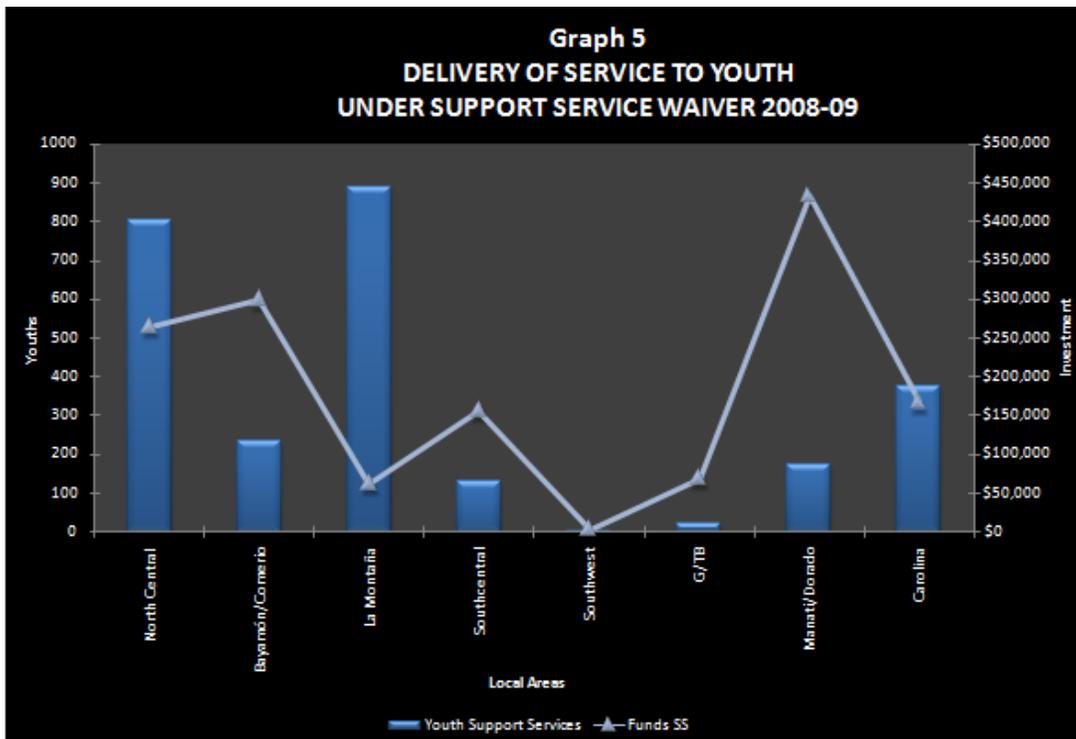
Waiver Requested by Local Areas of the Provision of WIA Section 123 Requirement to Competitively Select Youth Elements Providers			
Local Area	Supportive Services	Paid and Unpaid Work Experiences, including Internships and Job Shadowing	Follow-up Services
Bayamón/Comerio	X	X	
Caguas/Guayama	X		
Carolina	X		
Guaynabo/TB	X		
La Montana	X	X	
Manatí/Dorado	X	X	
Mayagüez/LM	X		
North Central Arecibo	X	X	
Northeast			
Northwest			
Ponce	X		X
San Juan			
South Central	X	X	
Southeast			
Southwest	X	X	

Of the six Local Areas which were granted the authorization for the waiver of the youth program element of Work Experience, a total of 2,834 youth received work experience service through this approach, with 95 employers offering the first jobs opportunity to these youth. The funds allocated for this work experience were of \$1,164,406.



The average cost per youth for the each work experience was of \$411. The highest proportion of work experience for youth correspond to activities of summer jobs. Graph 4 shows data of the youths who participated in the work experience, the allocated funds and employers by each local area. The local area of South Central had the largest number of participants with 950, placed in 16 worksites.

Concerning support services, eight (8) of the eleven (11) Local Areas which had this waiver approved, served 2,630 youths, with an investment of \$1,454,838. The average cost was of \$553 per youth. Graph 5 shows data of participants and fund investment in each Local Area.



Is important to notice that statistic data showed in this section, include only delivery of services for youth, under the waiver requested under these three youth program elements and do not reflect the total delivery of services for youth in the fifteen Local Areas.

Significant Programs and Recent Accomplishments at the State and Local Levels

▪ Governor Economic Development Initiatives

The economy of Puerto Rico faces a deep recession and requires stimulus and investment. The Governor of Puerto Rico, Hon. Luis Fortuño, established the Local Reconstruction Plan, which included various initiatives to face the economic recession. The main goal of the Local Reconstruction Plan is to stabilize the economy and restore public finances. To achieve the economic reconstruction, the government is developing four initiatives:

1. Federal and Local Stimulus Packages
2. Public-Private Partnership (PPPs)
3. Economic Development Supplemental Stimulus
4. Development of strategic projects

Government began the developing of a fiscal reconstruction with a tax reform initiative, with four main approaches: (1.) Government expense reduction and efficiency, (2.) increase the oversight on tax collection, (3.) establish revenue measures, and (4.) establish temporary emergency financial measures.

The Governor of Puerto Rico signed into law the following bills to stabilize the government's difficult fiscal situation and jumpstart the island's economic development.

- **The Special Law on the Fiscal Emergency (LESEF by its Spanish acronym) -**
The law provides for additional revenue generation measures, some

temporary and some permanent, that will allow the government to come out of its present fiscal crisis, eliminating its recurrent budget deficit in four years.

- **The Local Economic Stimulus Plan** (PEEC, by its Spanish acronym) provides \$500 million to stimulate the island's economy and counter the potentially recessive effect of the fiscal measures implemented as part of the Economic and Fiscal Reconstruction Plan. The PEEC—which complements the federal economic stimulus package—will give priority to the construction of infrastructure projects that will result in the immediate creation of new jobs.
- **The Federal Economic Stimulus Law** sets forth a mechanism at the local state level to optimize and expedite the flow of some \$5 billion in federal funds that have been assigned to Puerto Rico as part of the federal economic stimulus packaged of the American Recovery and Reinvestment Act (ARRA) of President of United State Barack Obama. Among other things, that package provides \$40 million for job retraining and relocation programs that will be complemented by the \$15 million provided for under the PEEC to facilitate a worker's transition to a new job.

State Strategies for Improvement and Achievements

Puerto Rico Trabaja (“Puerto Rico Works”)

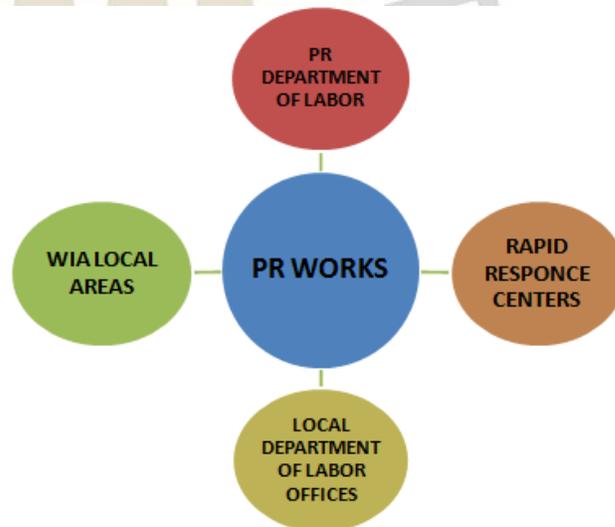
Puerto Rico Trabaja (www.puertoricotrabaja.com) is the new internet website of the Workforce Investment System to link job seekers and employers in Puerto Rico. It is a job bank developed by the HRODC that responds to the need to have a universal access for WIA participants. It provides an internet based application where job seekers and employers can have universal access to one another and therefore have the best opportunities to find either candidates or offers for job seekers.



Puerto Rico Trabaja is an application that for the laid off person works as a tool to connect with the job offers that are locally available. For the employer is a tool to post their offers and have access to available candidates island wide. It is also a tool for WIA users to not only have a universal job bank that can potentially increase their opportunities for placements, but also helps provide a universal access to participants, to training opportunities.

In Puerto Rico Trabaja, a job seeker can access the site from any computer with internet. They can register and start filling out their profile. Once the profile is completed the program generates a resume that the candidate can print and use for employers. On the other hand the employer, can register, post their job offers and either search for candidates from the job bank or just wait for candidates to apply for the offers. Once there is an application or invitation, the WIA Local Areas' One Stop Centers qualify the candidate and coordinates the interviews with the employer.

It also integrates the components of services under One Stop delivery for services for employers and potential employees.



The application's launch date was July 8, 2009; however, it was during the previous months that all the conceptual and development work was done in order to have the application running. Among the pre-launch work included are the logistics of the program, testing and validation of the system and finally the creation of an administrative structure to operate the site.

At September, the site has been a total success with over 20,000 users and more than 19,000 applications.

Local Areas Strategies and Achievements

Outstanding Girl in La Montaña

Katherine Báez Ortiz is a participant with a great success story of inspiration and success, and an example to La Montaña Local Area Youth Program. Despite her physical limitations she is a fascinating girl. Besides being an outstanding student at the university. She is a dynamic employee and very friendly when answering the phone at reception area.



Katherine Báez Ortiz, from La Montaña Local Area in her duties

Greets the public with kindness and inspires peace in the work place, she is beloved by everyone. It is a professional in every sense of the word. Despite being a wheelchair, never complains and performs her tasks with dedication and hard work. Katherine lives in the town of Cidra and is part of the Youth Program, which offers opportunities to young students under the WIA Federal Act at La Montaña Local Area. She is a participant with a great success story of inspiration and success, an example to all, that has shown that obstacles in life can be overcome to reach the personal goals.

Upgraded Barber in the Northwest

On September 14, 2007, Noel Rosario Rodríguez arrived at the Northwestern Consortium's One Stop Center. At the time, he was in the process of rehabilitation from substance abuse. In addition, he had been incarcerated for 2 years. When he was evaluated, Noel indicated his interest in rehabilitating himself and his desire to study in order to become a barber. After evaluating his case and showing the Center a genuine interest in the course, he was enrolled in an Individual Training Account hoping that this would help him achieve his goals and establish a barbershop.

At the same time, the activity served as a support system for his rehabilitation process in which he favorably succeeded in accomplishing.

Noel obtained his barber certification on December 18, 2008. Presently, he is working as a barber from his home and soon will start an entrepreneurial training course sponsor by the Local Area that will prepare him to establish his barbershop out of the house. Noel plans to establish in the near future a beauty salon together with his wife who is a nail technician and soon will graduate as a Cosmetologist.

Big Leaguer in Carolina

Anthony Garcia developed his interest in sports at a very early age which led him to become an excellent athlete and a stand out baseball player. Being born into a family of ballplayers and having this gift for the sport he began to see the possibilities of becoming a baseball player as a career. However, when he turned 17 he only had an eight grade elementary school education.



Youth Anthony Garcia signed his contract with SL Cardinals Scout Juan "Kike"

Through the Carolina One Stop Center he was enrolled in the Youth Program's Alternative Secondary School with the San Juan Educational School service provider and obtained a high school degree. Once he received his degree, Anthony was signed to a major league contract with the St. Louis Cardinals.

Upgraded Adults in Southeast

In the South-Eastern Local Area, an adult participant with an addiction dependence problem visited the One Stop Center searching help to overcome his problem and be able to achieve his goals. The One Stop offered him a work experience activity. As part of the follow-up, he participated in several workshops and began studying in a culinary international course through an Individual Training Account (ITA). Currently he is studying in a college in order to become a successful chef of international cuisine.

Blind Entrepreneur in Mayagüez/Las Marías

A legally blind participant, Mr. Juan A. Cruhigger Olmeda, of the Adults Program at the Mayagüez Local Area, showed interest in acquiring the skills needed to establish his own business since he first visited the One Stop Center. He had a Certificate in Computers Repair and Maintenance. After being evaluated, Mr. Olmeda was assigned to participate in the CDE Development Project, which he completed successfully. He is now the owner of Computer Parts and More, a computer repair and maintenance business.

Summer Jobs in Manatí/Dorado

As part of the activities under the American Recovery and Reinvestment Act (ARRA), the Manatí/Dorado Local Area developed the summer work experience named, "Connect to Your Job" and "Empleaverde" (Green employment). It should be noted that the majority of participants were assessed excellently by their supervisor, being very satisfied with the work done by the youths. Jennifer Ginés Sanchez, from Ciales Municipality, was recognized for her excellent performance in the Ciales Savings and Credit Cooperative. She received a job performance evaluation of 92% and her supervisor described her as a person committed with her job and with the team work. Currently she is working full time in the Cooperative and is expected to continue to work and study simultaneously.

Irma Maria Pacheco, a 19-year-old youth, began her summer activity in a very introverted attitude. In the area of employment where she was located, she organized the project of "home garden" where she joined mothers and children. At the end of the activity she had a substantial improvement in interpersonal communication. She is currently being considered to be part of a pilot group in the Agriculture Program at the University of Puerto Rico, Mayaguez Campus.

Special Projects Developed in Local Areas

Century XXI: Source of Challenges in the Southwest

The Southwest Local Area developed a Special Project for Youth's between the ages of 14 to 18 years, named Summer Camping "Siglo XXI Fuente de Retos" ("21st Century: Source of Challenges"). It included the strategy of academic enrichment, addressed the participants to obtain essential knowledge and skills in their transition towards the world of the work. The objectives were to extend and to deepen in the basic skills of academic areas, integral and creative development of the participants. In addition, to provide an atmosphere for the reflection, occupational exploration, handling of the personal finances and conceptualization of the world of work based on the approach that learning is active and authentic. An Occupational Module was provided and each participant prepared a portfolio to demonstrate the learned skills. SCANS Skills Tests were included. One hundred (100) students of grades 10, 11 and 12 participated, referred by the Local Area, with an academic minimum average of 2.50.

Caguas/Guayama Homemaker Training



Under the Dislocated Workers Program of the Caguas-Guayama Local Area (Municipal Alliance of Integrated Services, AMSI for its acronym in Spanish), a group of 53 dislocated workers were enrolled in the Homemaker Workshop. They were interested in developing a profession in

homemaker care since care services for the elderly and people with disabilities is in demand all over Puerto Rico.

A total of 50 participants completed the training and obtained certification as Care Auxiliaries. Also, they obtained other three certifications in Cardiopulmonary Resuscitation, First Aid and SERVSAFE. The workshops included courses on Social Behavior, Human Development, Anatomy, Nutrition, Hygiene and Sanitation. Forty-eight of these participants were appointed to a work experience job setting in different institutions. By June 10 were hired and by September, 18 were placed in employment overall.

Solidarity Project in Caguas/Guayama

This was a project aimed to provide intensive service to 100 participants from Caguas Municipality and beneficiaries of Nutrition Assistance Program through the Adult Program. It was done with the purpose that participants acquired

knowledge, skills, attitudes and behaviors that promote them to break with state economic dependence. The Local Area determined the eligibility of participants and



Youth from Innovative Project Solidarity during their Achievement Recognition

covered the Need Related Payment for them. Of 93 participants nominated for the project, 83 or 90% of them, successfully completed the project, and 48 participants were enrolled to complete high school an alternative high school program. The other participants were enrolled in vocational education to take courses in Social Assistance, Customer Service, Maintenance of Building and Tourism, among others.

Disney Youth Educational Series in the Northwest

The Northwest Local Area, in order to provide a diverse alternatives to the young participants, planned an educational trip to Orlando, Florida, which was attended by 25 High School students. This activity is based in the education program "Disney Youth Educational Series". The trip entailed a week of education activities.

Conferences and workshops were developed in the different Disney theme parks. These had as a goal to help these youth to explore the range of alternatives and barriers that they may have on their vocational development as young people. Issues such as environment conservation and protection, occupations related to animal life and care, an overview of the physics and mechanics in the parks as an industry occupations contributed to expose these youth to non traditional occupations.

Along with the workshops, they also had the opportunity to develop skills such as, leadership, self-esteem, and decision-making in both levels occupational and personal. This activity provided these youth the opportunity to acquire confidence in themselves, exposing them to another culture and language by encouraging them to develop their potential to the fullest.

Laboratory of Standardized Measurement Tools

The Southeast One Stop Center has developed a laboratory of standardized measurement tools to improve delivery of service to participants. Each tool has diverse features aimed to identify abilities, skills and occupational interests. These tests measure various areas such as fine and gross motor skills, spatial perception, precision, visual/manual skills, occupational interests, among others. Using these tools allow case managers and other One Stop professionals to create a precise profile to identify participants who comply with the requirements of different companies, and can be hired by the local area employers. The tools are the following:

- ***MECA (Microcomputer Evaluation of Careers and Academics Profile)***

This tool provides fundamental activities in three areas of occupational skills: self-awareness; educational and vocational development; and exploration and career planning.

- ***S. A. M. (Skills Assessment Module)***

The Skills Assessment Module (SAM) is used to identify the styles of learning of the participant, their ability to discriminate and hearing/visual attention (CDAV), to set curriculum objectives for the participants, and provides recommendations to case managers, to be included in the participants Individualized Education Plans (IEP). The tool includes testing practices so that participants can self-assess their skills such as verbal, numeric, digital discrimination, symbols, motor coordination, fine manual dexterity, mechanical, spatial perception and color perception.

- **CIRINO Occupational Interests Inventory**

This is a tool of 142 questions about activities, academic subjects and occupations to assess participant's interests in 13 scales, including artistic, manual, social interaction, social service, legal, outdoor, verbal, musical, research and health service. Its also has a Guide for Career Planning consisting of 32 questions so that customer can self-assess his/her skills, occupational values and character traits.

A Green Summer in Carolina Local Area

The Municipality of Carolina's Local Workforce Investment Area developed a youth summer program which involved



a variety of green job activities. These activities promoted leadership and social responsibilities in the areas of environmental conservation and the acknowledgement of innovative strategies to reinforce environmental resources. In addition, they provided opportunities to learn and work in a wide range of setting and first hand experiences about natural and

environmental friendly processes and conservation techniques, in which youth can obtain skills and find sustainable employment.

A total of 960 youths participated in work experience programs in the following areas:

- Beach Preservation – the youths were trained as environmentalists in order to obtain the necessary skills to offer educational workshops on conservation and maintenance of beaches.
- Planting – youths were involved in the design and management of gardens throughout the principal avenues of the city and at the beach park.
- Forest Parks Conservation – youths planted trees in the Forest Park located in the Barrazas Sector of Carolina as well as other areas determined by the Department of Environmental Affairs for the purpose of knowing the benefits of how to care, maintain and strategize on the earth conservation.
- Homemade Compost – youth were trained in the mechanics of organic recycling by learning the necessary steps to be followed in the process of controlled decomposition of organic materials.
- Household Gardens – each youth had the opportunity to work in cultivating their plants and garden produce.

Also, 200 youth participated in different pre-vocational workshops which led to a work experience in the following related fields:

- **Gardening Landscaping – Phase I:** recycling of materials, knowledge and handling of tools and gardening instructions; **Phase II:** Planning Gardening Landscaping; **Phase III:** Remedial Practice Workshop; **Phase IV:** Fundamental Entrepreneurship (Business Plan)
- **Green Construction** – Designing and planning eco-friendly projects, acquire knowledge about paints that protect health, construction materials, and plumbing to recycle water. Once finished, a work experience in the community was provided in the areas of maintenance and conservation.
- **Working and Recycling for PR** – It included participation in activities, workshops and lectures on improving the environment. Also included the implementation of strategies to conserve the natural resources and better ways of dealing with waste. Participants carried out community activities to raise consciousness regarding problems with environmental contamination and the benefits of recycling.

On July 17, the Hon. Hilda Solis, Secretary of the U.S. Department of Labor, visited the Carolina Beach Conservation activities and praised the projects.



Secretary of US Department of Labor, Hon. Hilda L. Solis, share her time with youth in the Carolina's Green Summer Jobs



Secretary Solis with a group of Carolina's youth summer job program

Job Fair by San Juan Local Area

This Job Fair took place in March 2-8, 2009, in Plaza Las Americas Mall sponsored by San Juan Local Area. During that week the first floor of Plaza Mall became a Self-Employment Center. Conferences of diverse themes were offered and they focused in the search of employment and self-employment. Around 30 employers carried out interviews and recruitments. The Fair was attended by 3,454 participants of whom 2,046 were recruited, which represents 59% of attendees. The investment for this activity was of \$160,000.



Small Businesses Incubator in Mayaguez/Las Marias Local Area

The Municipality of Mayagüez, in partnership with the Mayagüez – Las Marías Local Area, was the first in Puerto Rico to develop a Municipal Small Business Incubator. Forty new businesses in the service field have been established since this program was launched using CDBG funds provided by the Municipal Department of Housing. Selected participants received 40 hours workshops on how to establish and administrate a business. Among the services provided by these new small enterprises are fine pastry, child care, activities coordination, residential and commercial painting, roof sealing and others.

State Discretionary Funding

Special Projects with the Governor's State Reserve Funds

For program year 2008-09, there were 21 active innovative projects developed with the Governor's State Reserve Funds. Some began during program year 2007-08 and continued through the following program year. Others were implemented during program year 2008-09, and are jointly presented to provide a full picture of the actual projects. The State Reserve Funds investments were of \$10.6 million and were targeted to provide services to 15,041 participants in allowable activities geared to the youth, adults and dislocated workers programs. Graph 6 presents the projects, indicating the allocation and the participants served. Youth activities were a priority and 12 projects were developed to provide services to this targeted clientele, in which 6 of them highlighted services to dropout's youth. Projects for people with disabilities, inmates, adults and dislocated workers were also developed.

Special projects include funds allocated to Rapid Response for Customized Training and OJT activities for incumbent workers. An amount of \$ 4.8 million were allocated for the development of 14 projects for incumbent workers, as shown in Graph 6. Some of these projects started in 2008-09 and will continue through program year 2009-10. The cumulative expenditure of these projects for the period of this report was \$1,074,446. Throughout these projects, 1,967 incumbent workers received Customized and OJT training for skills upgrading due to the introduction of new products or new technology.

Outstanding Special Projects

- ❑ **“Technology for the Port of Ponce”- Autonomous Municipality of Ponce** The Municipality of Ponce have been constructing and developing the infrastructure necessary to build the Port of The Americas, a mayor investment for the Southern Region of Puerto Rico. The HRODC assigned a \$1,000,000 for the purchase of a Trane Simulator to provide training in the new technological advances for 200 incumbents and new-hired workers from the Ponce Region. In conjunction with the Local Port Unions, these workers will benefit to utilize the Simulator to become faster and more safety aware trained workers, in a low costs and risk free environment.
- ❑ **Supported Employment - Vocational Rehabilitation Administration (VRA) -** For the past seven years, the VRA and the HRODC have worked an alliance to assists over 1,200 people with severe disabilities (through fourteen non-profit Community Rehabilitation Programs throughout the Island) to obtain and maintain competitive employment. For many of those participants, the vocational experience provided a first hand on the job training, that have motivated many to pursue higher education opportunities, while they have become financially independent citizens in our society. During the PY 2008-2009, \$750,000 of WIA funds impacted over 300 of these individuals, many that had never been exposed to the job market.
- ❑ **Incumbent Workers Training Program - Schering Plough Inc.** A customized training program was developed to train 13 highly specialized employees in 16 specialized training courses to enhance their capabilities and increase their competitiveness. They have started to expand their facilities with investment of \$18 million due to the introduction of 4 additional products.

The WIA funding of the **Incumbent Workers Training Program** for the 16 training courses was for \$ 98,465.00.

- ❑ **Incumbent Worker Training Program Galephar Pharmaceutical Research Inc.** The company requested \$ 74,535.39, to provide training to 27 employees On the Job Training Program (OJT). Galephar is dedicated to continued development of innovative technologies and to bring innovative solutions to the market, combination of investment in highly qualify personnel and “galenical” high technology equipment has made this company a worldwide leader in the Drug Delivery System such as **Tramadol, Isotretinoin, Omeprazole, Liprofen.**
- ❑ **Communications TUTV (Local Channel 6)** - This project was developed to provide training in creative writing, photography, theatre, radio and video documentary to 300 students between 14 and 18 of age (school dropouts, economically disadvantaged, young homeless, substitute or disabled households). The project had a cost of \$ 405,300.
- ❑ **Incumbent Worker Training Program - Essilor Industries, Inc.** - The amount approved is \$ 944,609. from September 2008 to December 2009 with 147 program participants. Essilor specializes in the manufacturing of plastic lenses, announced an investment of six million dollars in the city of Ponce, this company is one of the largest sources of jobs in the southern area of Puerto Rico. The goal of the project is to develop and update the skills of a selected group of employees (incumbent workers) in a new technology (TRIVEX), to bring a new product that is manufactured in Puerto Rico. This opportunity arises as a result of the training offered in recent years to the company’s employees and has prevented the loss of jobs and products with

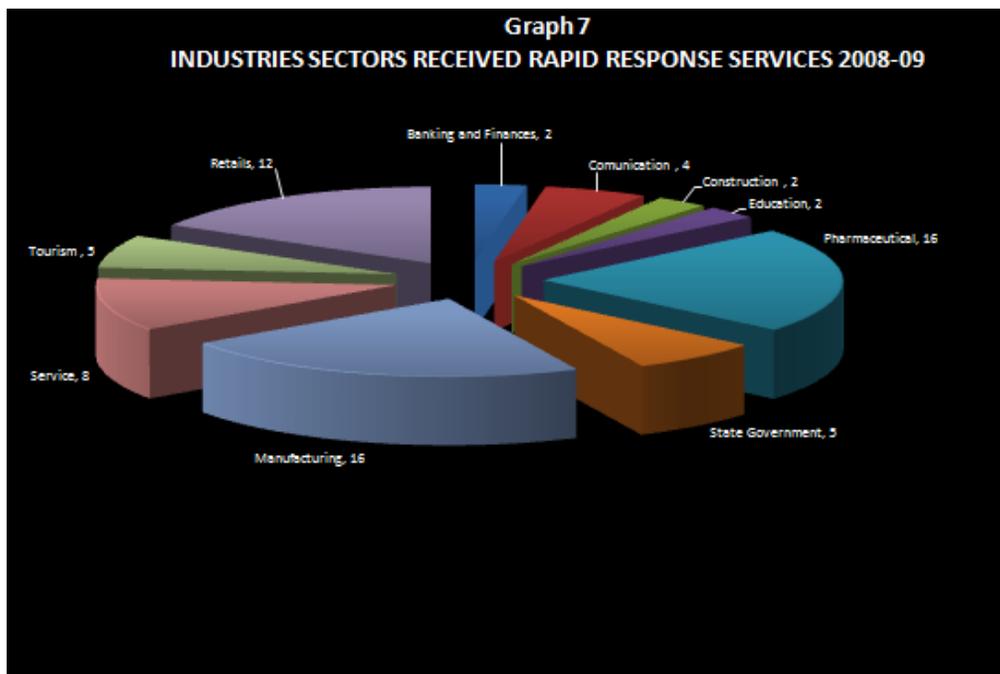
other competing countries. With this new initiative, it's emerging to increase enrollment to 244 new employees. In addition, working on a new product, increase the capacity to recruit new employees, thus helping the country's economy. This not only facilitates the retention in their jobs of Incumbents Workers, but it prepares them combining theoretical, technical assistance and updated skills practice. We have provided technical assistance through meetings and guidelines, such as SAC- WIA guidance and finance documents.

- ❑ **Incumbent Worker Training Program - Rock Solid Technologies, Inc.** The approved amount was \$ 38,173 from November 2008 to November 2009. The number of participants was eleven (11). Rock Solid Technologies, is a company with non-profit private capital which has over 11 years of existence. It provides in Puerto Rico and the Caribbean, services for consulting, design, development, implementation and support of technology developed applications. The Projects includes re-training five (5) resources in the techniques of modern sales to be competitive in the technology market and re-training employment participants to learn Microsoft programming language and methodology of the company.
- ❑ **Technician of Conservation of Electrical Lines (Incumbent Worker Training Program) Electrical Energy Agency** - The Electrical Energy Authority of the Commonwealth of Puerto Rico provided a customized training to 45 new employees in how to protect, conserve and maintain the electrical lines clear and in working conditions. The HRODC provided \$123,164.34 WIA funds for a period of four months creating 45 new jobs in a solid public corporation.

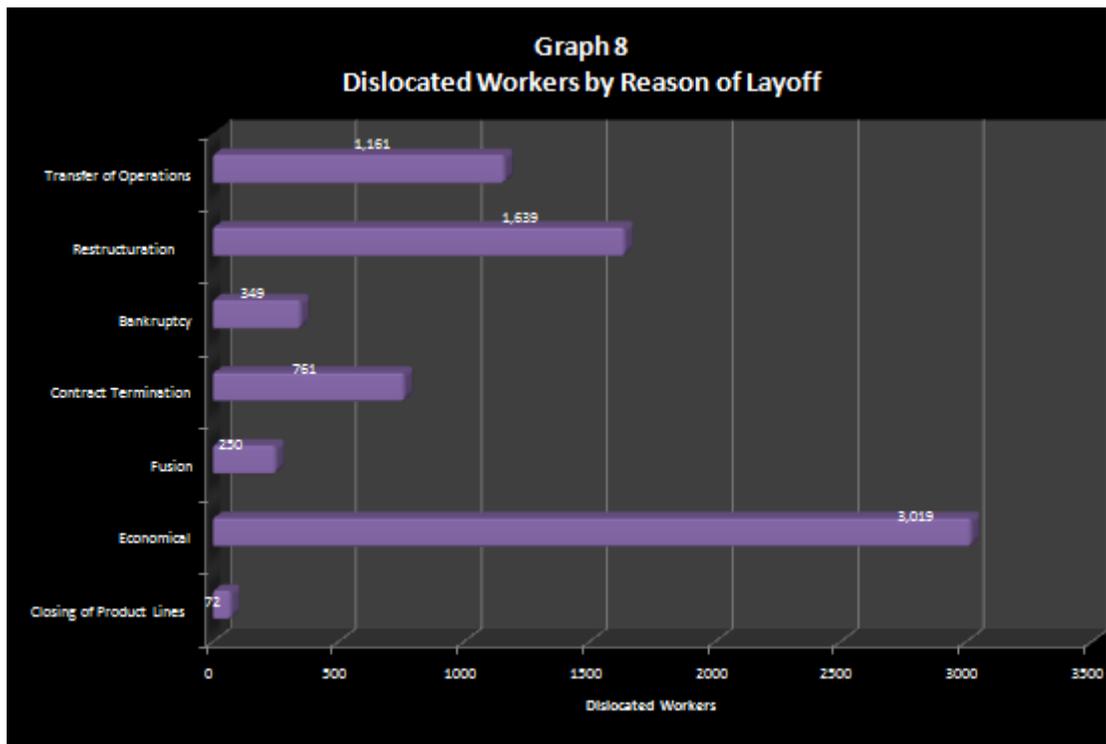
Rapid Response Services

Rapid Response Services present a radiography picture of the economic situation facing the Island, with plant closings, increase in the number of dislocated workers and the transfer of industries to other jurisdictions outside of United States territory in order to reduce costs and to restructure operations. Based on this reality, it is important to highlight the Rapid Response services being provided to tend to the needs of the employers and dislocated workers of Puerto Rico.

During program year 2008-09, Rapid Response services were provided to 72 companies who either closed their operation or laid off employees for a total of 7,251 dislocated workers, as shown in Graph 7. The employers include retail business, services providers, manufacturing plants, pharmaceutical, construction companies, banking and finance institutions, as well as State employees.



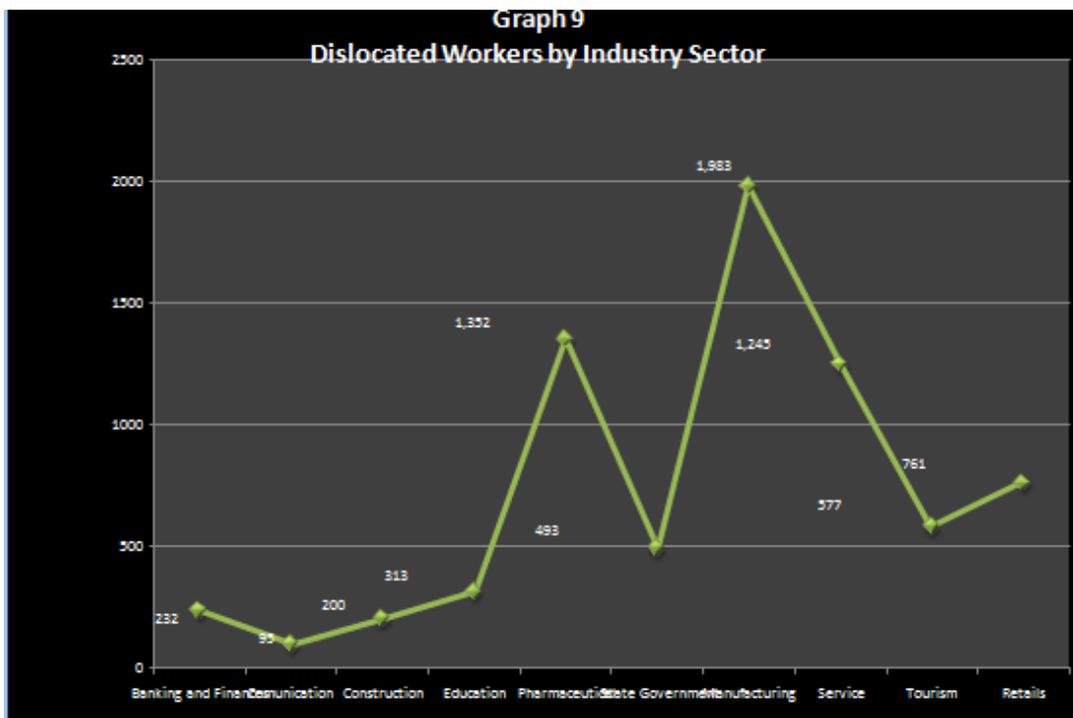
Considering the reason for layoff of dislocated workers, the data shows that 42% was for economic reasons, 23% for restructuring, 16% due to transfer of operations outside Puerto Rico and 10 per cent for loss of production contracts, as show Graph 8. Other reasons include bankruptcy, closing of production lines and merger between companies.



Of the 72 employers who were provided Rapid Response services, only 43% reported layoffs notification as stated in the WARN Act. The majority of the dislocated workers were from the manufacturing and pharmaceutical sectors

with a combined amount of 46% of total dislocated workers, followed by the service delivery with 17 %, retails sales with 10 % and 8 % in the tourism sector.

The communications, education, banking and finance and construction sectors each had less than 5 % of the total dislocated workers. Refer to Graph 9.



Disability Program Navigator Project and Ticket to Work Program

For the last year of the two year USDOL-ETA approved grant for the Disability Program Navigator (DPN) Project, the HRODC actively worked in the continuation of the DPN and in preparing the Local Area's One Stop Centers Navigators in the important role they have as key players within the Ticket to Work (TtW) Program of the Social Security Administration (SSA). The Navigators are being integrated into the Workforce Investment System with regular WIA funds. A total of 945 persons identified with disabilities visited our One Stop Centers for services, with 37 placements and 304 disabled youth enrolled in youth programs for Program Year (PY) 2008-2009.

On September of 2008, the SSA awarded the HRODC the designation of State Employment Network of the Workforce Investment System of Puerto Rico, under the Ticket to Work Program. This includes 13 of the 15 Local Workforce Investments Area's One Stop Centers as employment network worksites where Social Security beneficiaries with disabilities, looking for training and employment, can have their ticket activated in the Workforce Investment System.

During PY 2008-2009, the DPN state lead team participated in all the federal administrative conference calls, and in various related webinars. Several meetings were held with the Navigators providing presentations on work incentives and strengthening collaborations with Puerto Rico's Social Security Administration's Work Incentive Area Coordinator, the Work Incentive Planning and Advocacy agency, and the Ombudsman's Office of People with Disabilities (OPPI).

The DPN State Lead and various Navigators participated in the 2008 United States Business Leadership Network Annual Conference (USBLN) in Portland Oregon, which brought together business, community leaders and BLN chapters that have common interest in hiring, retaining and marketing to people with disabilities. The theme of the conference was Expanding Inclusion: The Business Strategy. Also state level representatives and many of the Navigators participated at the National ADA Symposium in Kansas City, Missouri. The main theme of the Symposium was the ADA amendments and the resources included representatives from federal government agencies in charge of the implementation of ADA such as the Justice Department and EEOC, among others.

The program year concluded with the HRODC celebrating the First Puerto Rico Disability Program Navigators Conference. It was a huge success because of all the dynamic presenters and speakers. All of the Navigators and the TtW Case Managers attended representing their Local Workforce Investment Areas, as well as representatives of all the Vocational Rehabilitation Administration's Regional Offices and staff from the HRODC. The Vocational Rehabilitation Administrator of Puerto Rico, representing the Secretary of Labor and Human Resources, and the Executive Director of the HRODC gave the welcoming messages. The DPN State Lead and Coordinator gave a presentation on the background and implementation of the DPN initiative. In addition, the following presentations were provided:

- Work Incentive Area Coordinator of the Social Security Administration
- Disability Ombudsman Office: PABSS Program, and Reasonable Accommodations and ADA Amendments
- Governor's Committee on Pro-Employment for People with Disabilities
- State Council on Developmental Deficiencies
- M.A.V.I. (WIPA agency)
- Technological Assistive Equipment Program from the University of Puerto Rico

- Recycling and Reusable Technological Assistive Equipment, by the Paralyzed Veterans of Puerto Rico.

Workforce Innovation in Regional Economic Development (WIRED)

Puerto Rico has one of the thirty nine (39) Workforce Innovation in Regional Economic Development (WIRED) initiatives granted by the Us Department of Labor as a Generation II Region, in the Central-Eastern Region. The Puerto Rico WIRED Region has been developed by the Central-Eastern Technological Initiative (INTECO, by its Spanish acronym). It includes the municipalities of Caguas, Cayey, Gurabo, Humacao, Juncos, Las Piedras, Naguabo, and San Lorenzo.

The goals of INTECO/WIRED are:

1. Retain and up-skill incumbent or displaced workers in strategic sectors;
2. Strengthen the educational pipeline in science, technology, engineering, entrepreneurship and math (STEEM);
3. Build an educational entrepreneurial ecosystem that stimulates entrepreneurial talent.

The Puerto Rico DLHR is the WIRED grantee, and the HRODC is the fiscal agent for INTECO. The funds awarded were \$5,000,000. The program began in the year 2007 and based on the success of INTECO in the implementation of WIRED, Puerto Rico was granted a six month no cost extension until July 2010.

INTECO/WIRED major accomplishments as of June 2009 include:

- Impacted 1,148 participants, including 305 students by the Science, Technology, Engineering, Entrepreneurship, and Math Programs (STEEM)

- Established great interaction to define needs, including education, with major strategic sectors:
 - Life Sciences
 - Health Care
 - Manufacturing
 - Technology and Entrepreneurs
- Developed 63 educational modules including computing, entrepreneurship, health care, process improvements (Six Sigma and Green Energy Management, and others) and STEM (Nano and Micro Technology, Science Research in Earth and Water Resources, Web Design, among others)
- Developed study on Regional Workforce Competencies, Capabilities, and Gaps based on pyramid of training needs
- Developed unique Regional Asset Mapping Study to determine the most relevant sectors and their general needs
- Developed innovative multi module Academies that ensure retention and growth of targeted sectors:
 - Automation for Mechanics, Technicians and Engineers
 - Process Analytical Technology (PAT) for the pharmaceutical industry
 - Regulatory Improvement for Life Sciences
 - Advanced Computing
- Established collaboration with Local Workforce Investment Boards (WIB's)

State Monitoring Activities

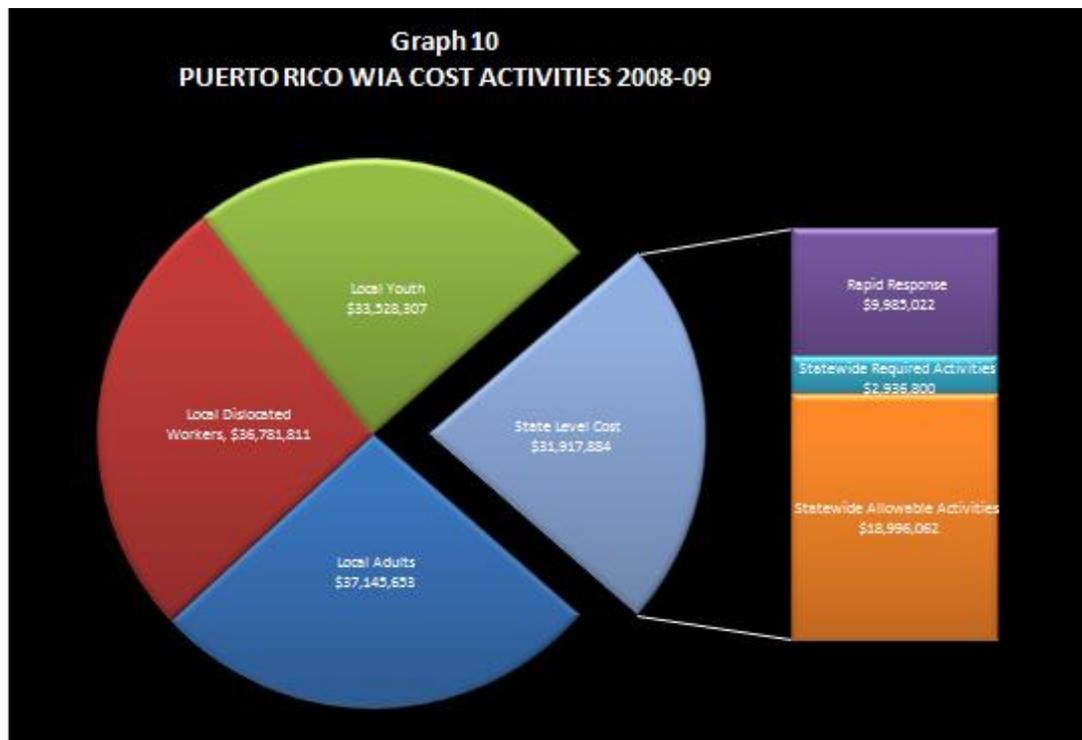
The Human Resources and Occupational Development Council has in place a Monitoring System for conducting annual onsite review of Local Area Workforce Investment activities. For Program year 2008-2009 Monitoring reviews were conducted in all Local Areas and 18 special projects, as planned. The review covered the following areas:

- Compliance with the provisions of the Workforce Investment Act and its regulations, specifically local governance, local boards and one-stop operator roles, Title I structure, delivery of services to adults, displaced workers and youths.
- Compliance with the uniform administrative requirements.
- Compliance with costs principles (OMB A-87), WIA's cost limitations, and classification, and Single Audits requirements (OMB A-133).

In order to assure proper and timely corrective action, each Local Area, and other subrecipients submitted corrective action plans. It was required that such plans include specific actions and strategies to address the findings, staff responsible for corrective action, and completion date of actions.

Cost of Program Activities

Total Expenditures for Puerto Rico Workforce Investment System for Program Year 2008-09 were of \$139,373,655. The Local Areas expenditures were \$107,455,777, equivalent to 77 percent of total costs, meanwhile the state level expended \$31,917,884 or 23 percent of total costs, as show in Graph 10. The state level cost of program activities include Rapid Response activities; statewide required activities as WIA Section 134 (a)(2)(B); and statewide allowable activities as WIA Section 134(a)(3). The Local Areas cost of program activities includes Adults, Dislocated Workers and Youth Programs expenditures.



The cost of programmatic activities in Local Areas shows an equitable distribution between the three programs, with 35% of total cost in the Adult Program, 34% in the Dislocated Workers Program, and 31% in the Youth Program.

State level cost of program activities shows that the higher cost are the statewide allowable activities with 60 % of total expenditure. This cost includes the development of innovative projects developed with the Governor Reserve Funds by entities like community and faith based organizations, the State Government agencies as well as special projects developed by the Local Areas with the Reserve Funds allocation. Local areas received an allocation of \$2.1 million additional of formula funds for the development of innovative projects. Rapid Response activities represent 31% of state level total cost and include funds allocated to incumbent workers training at state level, as approved in the waiver of to use of state set-aside Rapid Response funds for the Incumbent Workers Training Program.