PUERTO RICO STATE PLAN MODIFICATION 2009-2010

TITLE I WORKFORCE INVESTMENT ACT (WIA)

WAGNER –PEYSER ACT

AND

AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

Commonwealth of Puerto Rico

Department of Labor and Human Resources

Human Resources and Occupational Development Council

June 2009

DEPARTAMENTO DEL TRABAJO Y RECURSOS HUMANOS
DIGNIDAD Y JUSTICIA POR EL TRABAJO

ESTADO LIBRE ASOCIADO DE PUERTO RICO
CONSEJO DE DESARROLLO OCUPACIONAL Y RECURSOS HUMANOS
DEPARTAMENTO DEL TRABAJO Y RECURSOS HUMANOS

Department of State
San Juan, Puerto Rico

Kenneth D. McClintock
Secretary of State

June 29, 2009

Ms. Janet Sten,
Federal Coordinator for
Plan Review and Approval
Division of Workforce System Support
Employment and Training Administration
U.S. Department of Labor
200 Constitution Ave. NW, Room S-4231
Washington D.C. 20210

Dear Ms. Sten:

Enclosed please find the Commonwealth of Puerto Rico's State Plan Modification, for Title I of the Workforce Investment Act, the Wagner-Peyser Act, and the American Recovery and Reinvestment Act for Program Year 2009-2010. This Modification applies to the last year of the current 5-Year State Plan covering from 2004 through 2009, for the period from July 1st, 2009 to June 30th, 2010.

As per Training and Employment Guidance Letter No. 14-08, dated March 18, 2009, this document will be electronically submitted.

We appreciate your attention to this matter.

Cordially,

Kenneth McClintock
Acting Governor

Enclosure

c. Ms. Holly C. O'Brien, Acting Regional Administrator, Region I

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Table of Contents

PROCESS FOR THE DEVELOPMENT OF THE STATE PLAN MODIFICATION FOR 2009-2010 ..... *v*
STATE PLAN: MODIFICATION **1**
INTRODUCTION **1**
I. CONTEXT, VISION AND STRATEGY **8**
A. ECONOMIC AND LABOR MARKET CONTEXT 8
1. CURRENT GENERAL ECONOMIC SITUATION 8
2. UNEMPLOYMENT 10
3. PUERTO RICO'S DEMOGRAPHIC CHARACTERISTICS 12
4. INCOME AND POVERTY LEVELS FOR PUERTO RICO 14
5. EDUCATION DATA 14
6. YOUTH SCHOOL ENROLLMENTS 15
7. LABOR FORCE ANALYSIS 18
8. YOUTH IN LABOR FORCE 18
9. CURRENT ECONOMIC BASE BY INDUSTRY 19
10. INDUSTRIES AND OCCUPATIONAL PROJECTIONS 21
11. INDUSTRIES MOST CRITICAL TO THE STATE'S ECONOMY 23
12. SKILLS NEEDED FOR AVAILABLE, CRITICALLY IN DEMAND, AND PROJECTED JOBS 25
13. CENSUS OF OCCUPATIONAL DEMAND AND EMPLOYMENT (CEDOE BY ITS SPANISH ACRONYM) 26
14. POST SECONDARY EDUCATION SYSTEM 28
B. STATE VISION AND PRIORITIES 34
1. 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).) 34
2. 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 34
A. EDUCATION IN YOUR OWN HANDS 34
B. YOUTH: GENERATION OF CHANGE 38
C. POST SECONDARY EDUCATION 41
3. 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).) 43
A. BEST PRACTICE APPROACH 43
B. WIA AND ARRA INTEGRATION WITH THE GOVERNOR'S ECONOMIC DEVELOPMENT PROGRAM 45
C. OVERARCHING STATE STRATEGIES 46
WHAT STRATEGIES ARE IN PLACE TO ADDRESS THE NATIONAL STRATEGIC DIRECTION, 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).) 46
1. ECONOMIC DEVELOPMENT PROJECTS 46
A. PLANNING AND URBANISM: PUERTO RICO IS GREAT 46
B. PROJECTS FOR "PUERTO RICO IS GREAT !" 49

c. Agriculture: "Siembra Futuro" 50
2. Initiatives for Economic Development Region 53
2. PRIDCO Infrastructure Investments 54
3. Competitive Clusters: Economies of Agglomeration 54
4. The Micro-business Development Center 55
5. Puerto Rico's Reconstruction Plan 61
a. The Local Economic Stimulus Plan (PEEC, by its Spanish acronym) 61
b. Public-Private Partnerships (PPP's) 62
c. Strategic Infrastructure Projects 63
1. Plans for Infrastructure Investment 63
2. Support for Small Entrepreneurs 64
3. Economic Stimulus to Consumers 64
4. Projects to Streamline construction and business operation permits 64
5. ARRA Funds Investment Initiative 65
a. Transportation and Highways (ARRA Projects) 65
b. Other Infrastructure Projects 66
D. Service Delivery Strategies, Support for Training 67
II. Service Delivery 71
A. State Governance and Collaboration 71
B. Reemployment Services and Wagner-Peyser Act Services 73
C. Adults and Dislocated Workers 75
D. Youth Services 77
E. Veterans Priority of Service 78
F. Service Delivery for Targeted Populations 81
III. Operations 84
A. Transparency and Public Comment 84
B. Increasing Services for Universal Access 84
C. Local Planning Process 85
1. Oversight of the local planning process that is provided, including receipt and review of plans and negotiation of performance agreements. 85
2. Local plan consistency with State performance goals and State strategic direction 85
3. Plan Modifications 88
4. Regional Planning 88
D. Procurement 88
E. Technical Assistance 89
F. Monitoring and Oversight 90
G. Accountability and Performance 92
H. Waivers 93
IV. Attachments ..... Error! Bookmark not defined.

Process for the Development of the State Plan Modification for 2009-2010

Integration of the Governor of Puerto Rico's public policies

Puerto Rico's State Plan Modification for 2009-2010 integrates the government's public policy with workforce-related strategies and projects, as established by the Governor, the Honorable Luis Fortuño. Among the administration's priorities are: the economic development, implementation of plans and incentives by types of industry and education and skill development.

As part of the outreach efforts to disseminate the administration's goals, the Governor has endured Island-wide seminars, with Federal and State agencies' programs receiving federal funds, including the recently approved American Recovery and Reinvestment Act (ARRA) of 2009. Each ARRA grantee agency made a presentation of its own specific grants, as well as a presentation of the projects which ARRA funds will be invested. These seminars were designed to inform citizens, employers, educational institutions, community and faith-based organizations, and workers, about Puerto Rico's Economic Reconstruction Plan, as designed by the Government of Puerto Rico, in order to face the current, economic crisis. Participants had an opportunity to offer their comments and clarify questions about the way ARRA funds will be invested.

The Secretary of Labor, Mr. Miguel Romero, head of the Department of Labor and Human Resources (DLHR), and the Executive Director for the Human Resources and Occupational Development Council (HRODC), Mr. Aurelio González, gave presentations regarding ARRA, WIA, and Wagner-Peyser initiatives.

These forums served to gather information about the government's economic development strategies, and specifically-designed projects for the State Workforce Development System. In

addition, the Executive Director for the Council participated in other state government organized meetings and work-groups, helping him to identify, elaborate, and prioritize on the strategies Puerto Rico needs to face the current economic crisis. These strategies have been included in the following State Modification Plan.

Role of the Human Resources and Occupational Development Council (HRODC) in the Strategic Planning Process

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–Peyser 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.

State Workforce Investment Board Participation

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 actively participated in the elaboration and revision of the current State Plan Modification, giving most of their attention to the strategies regarding system priorities and funding investments.

Once completed, The Plan was presented to the State WIA Board members, requesting their recommendations, and approval. The Plan received very specific and rewarding comments, to be later approved by the entire State Board.

Workforce Investment System participation

Several meetings were held, where copies of the Modification Plan were distributed. Comments and ideas were gathered from the different government agencies that constitute the Puerto Rico Workforce Investment System. These are: Department of Labor and Human Resources (DOLHR), State Workforce Board, Human Resources and Occupational Development Council (HRODC), the 15 Local Workforce Boards, and their local areas.

Public Comments

A draft of the Modification Plan was made available to all constituents as well as to the workforce system components for comments and recommendations. Ads were published in those local newspapers with the largest circulation, announcing the availability of the Plan Modification for public review. The Plan was made available at the DOLHR central offices, at the HRODC main offices, and at each of the Local Area Offices. A copy of the Modification Plan may also be found at the HRODC webpage: www.cdorh.org.

State Plan Modification

Introduction

The Governor of Puerto Rico, the Honorable Luis G. Fortuño, expressed his vision of Puerto Rico as a great community within the great American Nation.

> *"It's a vision, an attitude and a way to work, where citizens, public employees, communities, companies, and investors begin to understand and promote the position of Puerto Rico at the global level. Our aspiration is to become a world-wide leader, to elevate our collective health, the quality of life, and the local economy. True Puerto Rican pride must be rescued as a society and as individuals: "…pride must be based on progress and the quality of life achievable by everyone."*

The Governor's vision is based on three important grounds: *the empowerment of the individual, free competition, and an efficient government.*

Under this new vision, economic recovery begins with: (1) a dramatic reduction in the taxpayer's load; (2) control of government expenses; (3) a reduction of bureaucratic processes; (4) negotiating incentives with the private sector; and, (5) creating conditions for an increase in private sector investment, so as to be able to forecast an expected increase in the number of jobs to be available.

In October of 2007, the World Economic Forum published the Index of Global Competitiveness for the years 2007-08, with 131 countries in the Report.

Puerto Rico was ranked at the 36 position, on the following areas:

- Number 11 in terms of local competitiveness
- Number 22 in terms of sophistication of production processes
- Number 23 in terms of financial sophistication

In order to achieve these initiatives, the following steps need to be taken:

- The need to be competitive in a quick-to-change global economy. PR will be agile and ready to transform, in order to improve its economy and standard of living.
- The best labor market information must be available, and analyzed with the best of judgment.
- Government will work hard to provide families with the opportunity to obtain a safe home, a steady job, and a good education for all Puerto Ricans and fellow American citizens.

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

ECONOMIC DEVELOPMENT

Tax Contribution Plan: "More Money in Your Pocket"

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

- Reduction in tax rates from 20% to 46%, to provide money on to the hands of workers, and inject funds into the economy.

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.

Elderly Assistance

Establish reimbursement of up to $400 for persons 65 years of age or older, who currently live below poverty levels. In addition, the government will eliminate the capital gains for first home owners on their principal residence. Annual income could not exceed $125,000.00, annually.

Reduce and simplify the corporate tax burden

Reduce the maximum corporate tax rate from 39% to 30%. This reduction will increase tax filling and obligations; also will reduce the cost of doing business in PR.

Create an attractive environment, to do business in Puerto Rico

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

Creation of thousands of jobs in the private sector

Increase and Strengthen job creation, development and success of small businesses. The strategy of "*Relief for your Pocket"* will be directed most particularly towards the small and

medium businesses that historically have been the main source of entrepreneurship and economic creativity in Puerto Rico.

Tax Reduction

Reduce sales taxes in car purchases and support fuel-efficient automobiles. In addition, reduce taxes in small businesses, such as tourism-oriented businesses and restaurants.

WORKFORCE DEVELOPMENT

Build a strong and competitive labor market, with a fair compensation system, favorable working conditions, good labor relations, and real opportunities for everyone than wants to work and succeed.

Review labor regulations and working schedules to allow for the necessary flexibility in order to fulfill the needs of workers and business corporations.

WIA System Goals

Support and promote 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 that can help this population identify, obtain, and retain a job in spite of being a veteran, have a disability, or other condition.

Rescue at-risk, secondary high school students from dropping out of school, and integrate them into the workforce.

Introduce public service employees into the workforce and unemployment benefit programs, such as "Welfare to Work" (W-t-W).

Place all dislocated government employees affected by the recent reorganization plan, in high competitive jobs in the private sector.

Promote entrepreneurship among eligible adults, dislocated workers, and youths, as an attainable, feasible, and rewarding alternative to employment.

Challenges created by the lack of jobs in the Puerto Rican economy

The economic recession that Puerto Rico faces has caused an unprecedented increase in unemployment. The results have been a considerable loss of jobs in manufacture and consumer goods production.

During the last 15 years, Puerto Rico has lost 60% of their jobs in manufacturing, and 8% in the production of consumer goods. (Refer to Table 8.) Our government is facing an economic debacle, due to mismanagement of previous administrations, so it is working on innovative and new alternatives in order to bring up our economy.

The current labor market does not produce enough job opportunities to generate an increase in the demand for goods and services to promote any sort of growth in the economy. Unemployment has become a restricted fact.

This situation requires innovative strategies to promote job creation. One of these strategies is the creation of an entrepreneurship, job skills, pilot program to develop self-employment or micro-businesses, for the government's dislocated employees, and workforce-investment-system participants that currently receive services at the One Stop Centers.

Small and medium-sized corporations carry out a large portion of the economic and employment activities in industrialized countries. Micro-businesses are a very important sector in the Puerto Rican economy.

In Puerto Rico, 62,500 micro-businesses represent 25.5% of the 250,000 PYMES. These micro-businesses generate around 250,000 jobs, and contribute around 15% to Puerto Rico's Gross Product line.

Small businesses have the potential to add more jobs than those created by multinational industries, and create the necessary conditions for market growth, by working an inter-enterprise chain. New micro-businesses create a continuous demand for goods and services stimulating new production. It is necessary to identify and train those with entrepreneurial dreams. They must be guided toward the establishment of their own micro-business. This can be achieved by the opening a Micro-Business Center (CEMIC by its Spanish acronym) under the State WIA Board structure. The SWIB will have the responsibility for developing a Pilot Training Program that will offer potential entrepreneurs, the appropriate tools to develop their own skills.

The CEMIC will be in charge of developing participant selection tools; guidelines for curriculum development; and the guidelines for selecting an occupation or an appropriate target with which to establish a business. The instruments with which to evaluate the effectiveness of this entire initiative will also be in CEMIC hands.

Among the financing options for entrepreneurs to start their own micro-businesses are:

- $5,000 for adult and dislocated workers from the WIA Waiver for Capitalization of Funds Leveraging for Small Business Development;
- Up to $25,000 from the PYMES Guarantees Program created by the Economic Development Bank for Puerto Rico, to help small and medium businesses;
- Up to $5,000 for dislocated public service employees (LESEF by its Spanish acronym);
- Up to $10,000 for youth entrepreneurs, available at the Governor's Youth Affairs Office through the Youth Entrepreneur Loan Program

By implementing this self employment initiative, Puerto Rico may expect the creation of 3,000 new micro-businesses, with an impact of around 9,000 new jobs, considering that each business could create three (3) jobs each.

Commitments with ARRA funds

The government of Puerto Rico, the Puerto Rico Department of Labor and Human Resources, and the Workforce Investment System are committed to the use of American Recovery and Reinvestment Act Funds (ARRA), guided by the four principles stated within the Act itself. They are:

- Transparency and accountability;
- Timely spending of funds and implementation of activities;
- Increasing workforce system capacity and service levels; and
- Using data and workforce information to guide strategic planning and service delivery.

I. Context, Vision and Strategy

A. Economic and Labor Market Context

Provide a detailed analysis of the State's economy, the labor pool, and the labor market context (§112(b)(4)).

1. Current General Economic Situation

As in most of the countries and states, Puerto Rico is facing a deep economic recession. Many proposals have being presented to the government recommending stimulus and investments packages. The fiscal deficit reaches $3.2 billion; this has made Puerto Rico's credit capacity to be downgraded. State government maintained a very high level of expenditures, in spite of a noticeable scarcity in revenues.

Three factors caused this economic crisis:

1. A worn out economy, due to the inability of creating new jobs, with low workforce participation, resulting in a major reduction of global competitiveness.

2. The government's fiscal deficit where caused because of the expenses increase at an annual average rate of 6% during the last 10 years, while revenues grew at only 1%.

3. An outdated government, with an administrative structure conceived over 55 years ago, unable to establish a system capable of measuring the quality of service, and room for productivity.

With the government credit downgraded, the situation would generate a recession and create a chain reaction where 130,000 jobs would be lost, and the State's unemployment rate could reach 25 percent.

The Governor of Puerto Rico, has established a Local Reconstruction Plan that includes various initiatives to put a halt on the present economic recession. Among these initiatives are:

- To formulate the first government, multi-annual budget with zero-base methodology;

- To reorganize the central government, and reduce fiscal deficit;
- To adopt controls for the selection of capital investment projects and manage the public debt;
- To revise the effectiveness of tax exemptions, deductions and credit laws with respect to private investments; and
- To begin a new Tax Reform.

The main goal in the Local Reconstruction Plan is to stabilize the economy, and restore public finance. To achieve economic reconstruction, the government will carry out the following four initiatives:

1. Both, a Federal and a Local Stimulus Package;
2. Public-Private Partnerships (PPPs);
3. An economic development supplemental stimulus; and
4. The development of strategic projects.

Government will also develop fiscal reconstruction efforts with a tax reform initiative, having four main approaches: (1) Government expense reduction and efficiency, (2) An increase in oversight of tax collection, (3) Establish revenue measures, and (4) Establish temporary emergency financial measures.

The Governor of Puerto Rico signed into law the following documents looking towards stabilizing the central government's difficult fiscal situation, and jumpstart the local economy.

- **The Fiscal Emergency Special Law (LESEF by its Spanish acronym),** addresses the severe fiscal crisis currently confronted by the Government of Puerto Rico. This law provides for additional revenue generating measures, some temporary and some permanent, and sets forth a management, cost-reduction plan that provides for a number of

financial initiatives that will allow the government to come out of its present fiscal crisis, and eliminate or control the recurrent budget deficit within the next four years.

- **The Local Economic Stimulus Plan** (PEEC, by its Spanish acronym) provides $500 million to stimulate the island's economy and counteract 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 works resulting in the immediate creation of new jobs.
- Finally, **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 package surging from the American Recovery and Reinvestment Act (ARRA) signed by President Barack Obama. Among other things, that package provides $40 million for job retention and relocation programs to be complemented with $15 million provided by the State's PEEC, to make it easier for a worker's transition into a new job.

2. Unemployment

The unemployment rate In Puerto Rico increased to 14.7% in March of 2009. It is the highest in the last 14 years, as shown in Table 1. During the last twelve months, 109,000 jobs were lost, according to the data provided by the Bureau of Labor Statistics in the Puerto Rico Department of Labor. This situation will worsen during the summer of 2009, when the Government of Puerto Rico lays off around 30,000 employees. The unemployment rate may rise to 18%, and the number of unemployed could surpass 230,000.

Since March of 2009, there have been 25 consecutive months of job losses. The Puerto Rico Department of Labor also informed that there was a decrease in the number of self-employed, with a reduction of 8% from 172,000 to 158,000 individuals during the past year.

The workforce participation rate also went down to 43.2%, the lowest in the last 20 years, indicating that the number of discouraged workers is increasing and are not looking for work.

Table 1

US Department of Labor
Bureau of Labor Statistics (BLS)
Local Area Unemployment Statistics
Puerto Rico Civilian Labor Force, Employment and Unemployment Data
(Data compared on March each year)

Year	Unemployment Rate	Labor force	Employment	Unemployment
1999	12.7	1,316,587	1,149,665	166,922
2000	10.4	1,314,761	1,178,597	136,164
2001	10.7	1,267,689	1,131,582	136,107
2002	12.3	1,337,147	1,172,907	164,240
2003	12.1	1,367,473	1,201,782	165,691
2004	11.7	1,379,252	1,217,594	161,658
2005	11.4	1,389,102	1,230,802	158,300
2006	9.1	1,418,683	1,289,318	129,365
2007	10	1,432,073	1,288,164	143,909
2008	9.2	1,361,857	1,236,379	125,478
2009	14.7	1,320,405	1,126,623	193,782

3. Puerto Rico's Demographic Characteristics

According to the U.S. Census Bureau, the population of Puerto Rico for the year 2000 was estimated at 3.80 million. The gender composition for this population was 1.83 million males (48%) and 1.97 million females (52%). The population estimate for July of 2007, according to the Puerto Rico Planning Board, was 3,942,375 persons, an increase of 133,765 individuals or 3.39 percent. We expect that for the 2010 Census, the population of Puerto Rico will reach the 4 million mark.

Puerto Rico's Planning Board in 2007 forecast the population 18 years of age or under, to constitute 25.4% of the total in the Islands. Whereas 61% were predicted to be between the ages of 18 to 64 years of age brackets, a time of life when most people are productive inside the workforce.

In this group, 39% is between the ages of 18 to 44. The median age in Puerto Rico in 2007, was 35.3 years. Elderly groups of 64 years old and over represented 13.2% of the total population, an increase of 2% when compared to Census 2000, where the population under 18 years of age decreased by 3 percent, when compared to Census 2000.

Table 2

Population Comparison by Age
Census 1970-2007

Demographic Feature	Census 1970	Census 1980	Census 1990	Census 2000	Estimated July 2007 PR Planning Board
	Population				
Total Population	**2,712,033**	**3,196,520**	**3,552,037**	**3,808,610**	**3,942,375**
Male	1,329,949	1,556,727	1,705,642	1,833,577	1,892,503
Female	1,382,084	1,639,793	1,816,395	1,975,033	2,049,872
Median Age (years)	21.5	24.6	28.5	32.1	35.3
Under 18 Years	1,174,674	1,220,999	1,154,527	1,092,101	1,002,944
65 Years and Over	177,077	252,569	340,884	425,137	522,899

Source: Puerto Rico Planning Board

- Puerto Rico's demographic composition shows an increasing trend in the population age during the last three decades as shown in Table 2. This trend indicates an aging population with special needs. The government of Puerto Rico, in helping this population, will design and implement the necessary alternatives in order to address their needs.

4. Income and poverty levels for Puerto Rico

- Income data from the 2000 Census show that the median income for households in Puerto Rico for year 1999 was $14,412, while for families was $16,543. These figures are the lowest in all of the United States. There is no update on the current data from the Puerto Rico Planning Board.

- During the same time period, per capita income was $8,185. This is equivalent to half 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 the 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.

5. Education Data

- The 2000 Census shows that the population 18 years of age and over is estimated at 2.7 millions. Of this amount, 1,675,778 or 62% has little over high school level education.

- Table 3, Educational Attainments for Population 18 years of age and older, illustrates details of the population by educational level where:

    - 38% of the population 18 years of age and older, has less than a high school education. Among this population, 59% has less than a ninth grade education.

    - Of the population with less than a ninth grade education, 75% are 45 years old and older, while the population of 18 to 45 years, with less than a ninth grade education was 25 percent.

    - In the group with an educational level of less than high school education, 44% corresponds to the ages of 45 and over.

- It is necessary to picture the fact that of the population with less than high school education, 56% corresponds to the group of 18 to 44 years old, the most productive ages in the workforce.

- Population with an educational level of some college but without a degree is estimated in 412,294, equivalent to 15% of those 18 years old and over.

- In Puerto Rico 25% of those 18 years old and over had completed an Associate, Bachelor's, Graduate or Professional Degree. From this group, 338,016 persons had a Bachelors Degree, representing 53% of the postsecondary educational group.

Table 3

Educational Attainments for Population 18 Years and Over

Subject	Male	Female	Total
Total:	*1,274,128*	*1,445,050*	*2,719,178*
Less than 9th grade	291,949	324,182	616,131
9th to 12th 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

6. Youth School Enrollments

- *Table 4* shows the statistics for student enrollment by grade level in the public and private educational systems in Puerto Rico from 2004-08.

- The most recent information provided by the Puerto Rico Department of Education corresponds to school years 2007-08. During which there were 726,509 students enrolled in the elementary, secondary, vocational and technical school systems. The public education system had 71% of total enrollment.

- There is a decrease of -3% in total enrollment from 2004 to 2008.

Table 4

Public and Private School Enrollment 2004-08
Puerto Rico Education System

	2004-05		***2005-06***		***2006-07***		***2007-08***	
Grades	***Private***	***Public***	***Private***	***Public***	***Private***	***Public***	***Private***	***Public***
Elementary	83,548	314,761	128,645	306,073	124,483	293,781	105,724	276,288
Secondary	51,280	256,431	78,696	253,141	86,408	250,357	66,664	236,669
Vocational and Technical	36,611	4,456	36,645	4,134	25,125	3,859	37,719	3,445
Total	171,439	575,648	243,986	563,348	236,016	547,997	210,107	516,402
%	23%	77%	30%	70%	30%	70%	29%	71%

Sources: PR Department of Education and General Council on Education

- Enrollment presents a tendency to increase in the private system and decrease in the public system. In 2007-08, the public system decreased its total enrollment by 1.1%, whereas the private system reflected an increase in the enrollment of 18%, compared with 2004-05 students.

Table 5

Puerto Rico Dropouts Statistics 2000-04

Total Dropouts	**2000**	**2001**	**2002**	**2003**	**2004**
7th to 12th grades	2,284	2,423	1,844	1,865	1,524
9th to 12th grades	1,737	2,020	1,580	1,599	1,335

Source: ies National Center for Education Statistics

- School dropout data available is presented in Table 5, for school years 2000 to 2004. In the 2004, 1,524 youths from 7th to 12th grades left school; a net reduction of 760 when

compared to the year 2000. Whereas, in 2004, 1,335 youths from 9th to 12th grades left school, a net reduction of 402 when compared to year 2000. For the year 2004-05, there were 189 dropouts from 7th and 8th grades, showing youths dropping out of school at a very early age. The dropout rate during those four years was less than 1% per year.

- Table 6 shows the statistics for program year 2007-08, of available schools by level, in the public and private educational systems in the fifteen Local WIB Areas in Puerto Rico. The higher concentration of schools, universities and colleges in the Local WIB Areas are located in the main metropolitan areas of San Juan, Caguas, Ponce, Bayamon, and Mayaguez. However, the fifteen Local Areas have enough education institutions to satisfy the needs of WIA clients.

Table 6

Public and Private School
Distributed by Local Area 2007-08

Local Area	*Vocational and Technical*	*Secondary Public Schools*	*Private Academic Schools All Levels*	*Public Universities*	*Private Universities*
Puerto Rico	**346**	**209**	**389**	**19**	**80**
Bayamón/Comerio	37	11	34	1	8
Caguas/Guayama	43	23	39	3	7
Carolina	15	7	22	1	2
Guaynabo/Toa Baja	8	10	30	0	2
Manatí/Dorado	18	13	32	1	4
Mayaguez/Las Marías	17	6	15	1	5
North Central	27	20	25	2	6
Northeast	18	13	20	0	4
Northwest	34	17	27	1	5
Ponce	23	11	21	2	7
San Juan	67	24	71	6	20
South Central	10	14	8	0	3
Southeast	13	17	17	1	4
Southwest	15	15	21	0	3
The Mountain	1	8	7	0	0

Source: General Council on Education (CGE by Spanish acronym) 2007-08
High Education Council (CES by Spanish acronym) 2007-08
Puerto Rico Department of Education

7. Labor Force Analysis

- The labor force includes all persons classified as employed or unemployed, who are actively seeking employment, or would consider changing their jobs for the right employment opportunity.

- The 2000 Census identified that 37% of the total population (of 1.42 million individuals) is considered to be, the active labor force.

- The civilian population over 16 years of age is estimated at 3,004,000 of whom 1,420,000 make up the labor force. Participation rate in labor force is 47.1 percent.

8. Youth in Labor Force

- The 2000 Population Census estimated 1,520,995 youths between the ages of 1 to 25. The gender distribution is 51% male and 49% female.

- Youth groups between 15 to 25 years of age have 614,627 individuals, of which 50.3% is male.

Table 7

Youth Education and Employment

Year 2000

Subject	Youths	%
Youth 16-24	***553,805***	**100**
Employed civilian	134,690	**24**
Unemployed	77,192	**14**
Not in labor force	341,923	**62**
Enrolled in college or graduate School	147,738	***43***
Enrolled in school	162,707	***48***
Not enrolled in school	31,478	***9***
High school graduate	8,823	*28*
Not high school graduate	22,655	*72*

Source: US Census 2000

- Table 7 estimates the youth population between the ages of 16 to 24 as being 553,805 according to the 2000 U.S. Census. The employment rate for this category is estimated at 134,690 or 24%, and an unemployment rate of 14% or 77,192 persons.

- Youths not in the labor force are 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 the ages of 16 and 24 are not in the labor force and have not completed high school. This must be one of the major target groups in which to invest WIA funds for training and services. This represents 72% of youths not enrolled in school.

9. Current Economic Base by Industry

- Puerto Rico's labor market analysis is presented according to the statistics held by the United States Bureau of Labor Statistics and do not include farm workers.

- The labor pool in Puerto Rico is mainly composed of 70% jobs generated by the private sector, and 30% by the federal, state, and local government.

- Table 8 shows that the workforce in Puerto Rico has increased by 16% during the last 18 years.

Table 8

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

Year	1990	1995	2000	2004	2008	% 2008	Δ% Net
All employees Nonfarm	843.8	927.3	1,022.90	1,008.80	1,003.10	100	*0.16*
Government	294.6	304.6	286.2	308.2	299	30	*0.01*
Private	549.2	622.7	736.7	700.5	705.7	70	*0.22*
Service Providing	638.9	717.9	803.7	825.3	839.4	84	*0.24*
Employment by Sector							
Manufacturing	158.7	159	142.7	115	99.3	9	*-0.6*
Good Producing	204.9	209.4	219.2	183.45	189.2	18	*-0.08*
Trade, Transportation, and Utilities	140	157.5	186	183.4	170.8	16	*0.18*
Wholesale Trade	25.6	27	32.6	32.7	33.6	3	*0.24*
Retail Trade	97.9	113.3	133.9	133.2	129.1	12	*0.24*
Other Services	12.4	15.4	17.4	15.9	16.4	2	*0.24*
Natural Resource, Mining and Construction	46.2	50.4	76.5	68.5	64.1	6	*0.28*
Information	15	17.2	20.7	22.3	21.1	2	*0.29*
Financial Activities	31.6	37.7	45.5	41.6	46.7	4	*0.32*
Professional and Business Service	58.3	75.8	98.2	93.6	100.3	10	*0.42*
Leisure and Hospitality	35.7	48.4	66.2	69.01	70.8	7	*0.5*
Educational and Health Services	51.3	61.2	83.5	91.3	105.4	10	*0.51*

- The Governor strongly supports farming jobs because of their importance as an economic contribution. For details, see Section I(A).

- Puerto Rico's economy shows a growth in the third sector of the economic model: provision of services. *Table 8,* shows that the jobs created by the service sector reached 839.4 thousand employees in 2008, equivalent to 84% of the non-farm workforce. This number includes private and government jobs.

- Manufacturing and consumer goods production reflect a drastic decrease in job generation; a reduction in manufacturing of 60% in the workforce from 1990 to the 2008. The production industry for consumer goods also shows a decrease of 8% for the period shown in Table 8. The manufacturing sectors mostly affected by job losses are the textile, leather, and clothing industries.

Table 9

Jobs Distribution by Main Occupations

Source: US Census Bureau, American Fact Finder

Year:2000

Occupations	***Percent Distribution by Occupation***
Sales and Office Occupations	28.0
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

- As shown in Table 9, 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 include both, occupations with high educational and low educational requirements. All categories are mainly related to service economic sectors. Farming, Fishing and Forestry Occupations are the lowest demand.

10. Industries and occupational projections

In 2003, the Council, hired a private consulting firm known as Estudios Técnicos, Inc. to conduct a labor market study called The Labor Market in Puerto Rico ("*Estudio de Demanda Ocupacional")*. The purpose of this study was to find out the actual (2003) and future situation of the labor market in Puerto Rico: how it responded to new local and global tendencies, and how they affected or benefited the market. The study dealt with the following items: labor and occupational market situation, the education system, evaluation of available services and programs, and the position that each one assumed in the development of strategies and actions to harness the labor market.

The study showed an analysis of the human capital requirements for each industry and its projected demand. It identified the 25 occupations in highest demand, for the next few years (see **Attachment 1**). According to this analysis:

- Service occupations are in the first position, which indicates a growing concentration of economic activity that "injects" the economy, such as construction, retail and wholesale, 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, figure 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 have forecasted 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 at 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.

Service activities require various skill levels ranging from employees with very little skills to very high skilled professionals. However, at least half of the occupations in demand are professional/management or specialized personnel. The market trends indicate that the education level will require higher formal training in occupational projections. Although previously mentioned, occupations with low skill requirements such as security guards will also be in demand.

Attachment 2 presents the main occupations by economic sector, such as agriculture, commerce, manufacture, services, commerce (Wholesale and Retail), construction, finances, transportation and communications.

11. Industries most critical to the State's economy

a. ***Service Providers***

Puerto Rico's economy shows that job creation by the service sector reached 839.4 thousand employees in 2008, equivalent to 84% of the non-farm workforce, including private and government jobs.

b. ***Pharmaceutical Manufacturing***

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). It also provides a major market for other industries, such as small business and professional organizations that 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. These related businesses generate approximately 90,000 additional jobs.

The pharmaceutical industry represents 25% of Puerto Rico's Gross Domestic Product. The impact of the pharmaceutical industry on the local economy is also evident through its payroll.

Currently, the average wage among production workers is among the highest salaries paid in Puerto Rico. In 2002, Puerto Rico exports in the pharmaceutical industry reached $32 billion or 66% of all the Island's exports. The pharmaceutical industry produces 13 of the 20 best-selling drugs in the United States. (Source: Pharmaceutical Industry Association of Puerto Rico (PIA 2002). This is the current data available by PIA.

c. ***Electronic Manufacturing***

The electrical/electronics 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. Among the well-known companies with operations here 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. Total shipments 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.

d. ***Medical Device Manufacturing***

Companies engaged in the manufacture of medical/scientific devices have a sizable presence in Puerto Rico, making the Island one of the largest high-tech manufacturing centers in the U.S. Companies making recent investments in production facilities in this sector include Baxter, Medtronic, Stryker and Becton Dickinson. European medical/scientific device companies operating in Puerto Rico include B. Braun (Germany), Unilever (UK) and Roche (Switzerland). Puerto Rico shipped over $2 billion medical/scientific devices in 2003, placing it 8th in the world in total shipments.

e. ***Biotechnological Industries***

With 30 years of experience in pharmaceutical industries, and 16 out of the top 20 best selling drugs in the U.S. manufactured, Puerto Rico has been a world hub for biotechnology. 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.

In 2001, the Puerto Rico Biotechnology Alliance was formed, to serve the growing biotechnology industry cluster in Puerto Rico. The Puerto Rico Biotechnology Alliance is now focusing its efforts on the application of molecular biology and bioinformatics to health and medical research. 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. Biotech has moved from the lab to the factory, and Puerto Rico is leading the way, including biotech fill/finish facilities.

12. Skills needed for available, critically in demand, and projected jobs

- Attachments 3, 4 and 5 present the knowledge, skills and abilities needed for 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 S.O.C. code or occupational title for the 25 main occupations in demand in Puerto Rico and for critical occupations of the Island's 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 3 identifies the knowledge required in each occupation as established by O'NET. As previously mentioned, in Puerto Rico the 25 main occupations in demand are related to the provision of services. 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, education is considered an outstanding requirement, because Puerto Rico's key industries are related to high technology.

- Attachment 4 shows the skills required for the 25 most critically demanded 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 are 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 required more complex abilities like Systems and Technical Skills. Within these categories equipment selection and maintenance, and quality control analysis are considered outstanding.

- Attachment 5 shows the abilities needed in the 25 main and critical occupations in Puerto Rico. The most needed abilities in the selected occupations are Cognitive Abilities. In this category information ordering, oral comprehension, problem sensibility, and written comprehension are the most desirable.

- The Council encourages Local Areas to use the skills, abilities, and knowledge matrixes to determine the participants' training needs before investing WIA funds. In this effort, an Administrative Memorandum was issued to the Local Areas explaining the use of the O'NET System. The Memorandum includes the steps to search the skills, abilities, and knowledge required by each occupation within the system. This initiative will be complemented with the results of the Occupational Demand Census (CEDOE) conducted by the Puerto Rico Department of Labor and Human Resources, where each Local Area will be able to identify the increasing and decreasing demands of occupations in the different geographic regions of Puerto Rico. The combination of these resources will help the Local Areas determine the adequate investment of WIA Funds, by responding to the occupations in demand.

13. Census of Occupational Demand and Employment (CEDOE by its Spanish acronym)

In 2005, the Puerto Rico Department of Labor, developed, the Census of Occupational Demand and Employment. The study was a microeconomic analysis, directed toward identifying the skills and occupations in greater demand, among Puerto Rico's employers. The presented findings are based on the answers given by the 21,101 employers who took

the Questionnaire of Skills and Occupations of Greater Demand. The information was gathered using the Employment Service data base.

The following most outstanding findings were related to the worker skills, from the perspective of the employers:

The employer's most required skills show the following findings:

1. The characteristic or more important skill that employers look for in an employee is his or her level of responsibility.

2. Employers do not give much importance to the skills for analytical thought in their employees; nevertheless these receive greater importance among a listing of management skills.

3. The skills of greater use are:
   - Basic skills
   - Communication skills
   - Personal behavior, and commitment with the company

Employers' perception of change in skill demand during the last 5 years is:

1. Employers don't face a shortage of academically prepared workers to fill the available positions, but believe that the most restrictive factor is that the workers do not have the appropriate attitude and ethics to work, nor the soft skills necessary to fulfill the specifications of the position.

2. The skills that have acquired greater importance in the last five to ten years are:
   - Skills related to personal qualities and worker behavior
   - The capacity to make decisions and solve problems
   - Skills to establish good interpersonal relations
   - Speak English
   - Skills in gathering and handling of information

3. The main causes for the employers' change in required skills correspond, in sequence of importance:
   - Client demand
   - Need for more team work
   - Need for more direct bonding with clients
   - Changes in new technology

14. Post Secondary Education System

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 of college level; IPEDS offer 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 Puerto Rico's Private Education Association's Directory, around 300 institutions were identified. This estimate does not include the public sector.

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 the number of students enrolled in these education institutions of Puerto Rico has increased in the public and private sector.

Table 10

Postsecondary Enrollment in Puerto Rico
School Years 1970-2005

School Year	*Total Enrollment*	*Public Colleges*		*Private Colleges*	
		Enrollment	*%*	*Enrollment*	*%*
1970	63,073	42,516	67	20,557	33
1980	131,184	54,127	41	77,057	59
1990	154,065	55,691	36	98,374	64
1999-00	171,832	70,507	41	101,325	59
2000-01	183,290	73,121	40	110,169	60
2001-02	188,430	73,173	39	115,257	61
2002-03	197,781	73,180	37	124,601	63
2003-04	203,951	71,722	35	132,229	65
2004-05	207,180	70,263	34	136,917	66
2005-06	208,625	67,990	33	140,635	67

Source: Digest of Education Statistics, Integrated Postsecondary Education Data Systems (IPEDS) ies – National Center for Education Statistic, US Department of Education

IPEDS data shows that for 2005, within the 136 educational credited institutions, approximately 208,625 students enrolled. IPEDS and CES identified female predominance enrollment in accredited educational institutions during the 2004 and 2005 academic years. In 2004, the percentage of females was 61.7, and in 2005 year, it was also 61 percent.

Table 11

Postsecondary Enrollment by Gender 2004-05

Total		*Males*				*Females*			
2004	*2005*	*2004*	*%*	*2005*	*%*	*2004*	*%*	*2005*	*%*
207,180	208,625	80,620	39	81,668	39	126,560	61	126,957	61

Source: Digest of Education Statistics, Integrated Postsecondary Education Data Systems (IPEDS), ies – National Center for Education Statistic US Department of Education

IPEDS indicate that during the 2005 academic year, approximately one out of every ten students at the undergraduate level was a part-time student. During the 2005 academic year, there were 6% part-time students, where more that 94% students were full time. A possible reason for such a high percent of full time students is the requirement of economic assistance programs. IPEDS show that 89% of the students at the undergraduate level pay the costs of their education with economic assistance programs.

IPEDS data show that during the 2005 academic year, approximately 27,726 academic degrees were conferred, for a graduation rate of 78.0%.

In Puerto Rico, 20% of the academic degrees conferred have concentrated in specialized short programs, with an average duration of 1 to 3 years. A tendency for a large number of students enrolled in short academic programs has increased in the past years. The statistics presented also reflect that 80% of the degrees given require further academic preparation (bachelor degrees, masters, etc.) The next tab shows that of the degrees given, 16% are Associate Degrees, 62% Bachelors, 19% Masters, 1% Doctorates, and 3% First Professional Certification .

Table 12
Postsecondary Graduated Students in Puerto Rico
School Year 2005

Degrees Conferred	**Students**	**%**
Associate Grades	4,303	16
Bachelor Degree	17,129	62
Master Degree	5,180	19
Doctoral Degree	242	1
First Professional Diploma	872	3
Total	**27,726**	100

As stated by IPEDS, the majority of degrees given by academic programs during the 2005 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 Business Administration and Education, 50% of the academic certifications are bachelor degrees. Meanwhile, in programs related to health, engineering, and personal services short-term certifications are more common with 53.3%, 77.8% and 73.9% respectively.

Table 13 **Most Requested Academic Programs in Puerto Rico School Year 2005**

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**

Source: Digest of Education Statistics, Integrated e Postsecondary Education Data Systems (IPEDS),

In the following table, it is evident that the first ten programs, on the most requested programs, 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 professional occupations. Occupations not requiring academic preparation, but demanding skills include: drivers, maintenance, order dispatchers and packaging, among others. There are also occupations that require academic preparation, but there are no institutions in Puerto Rico that specialize in these disciplines such as construction workers, equipment assembly, gardeners, seamstresses, and vendors.

Each program offered by an educational institution has a different concentration. 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 specialized professions, concentrations in demand are educators, physiologists, social workers, lawyers and criminologists. These last professions will have 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 14

Occupational Titles
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
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
Licensed Practical and Licensed Vocational Nurses	Health Programs

Source: The Labor Market in Puerto Rico, 2003, Estudios Técnicos, Inc,)

B. State Vision and Priorities

1. **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 for our economic development is described in the Introduction section of this Plan. The Governor's vision for ensuring a continuum of education and training opportunities to support a skilled workforce is detailed in his education platform, described in the next section.

2. **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, youth with disabilities, and other youth at risk? (§112 (b) (18)** (A.)

The Governor's vision to assure youth opportunities to achieve their goals through education and workforce training is fully described in his government platform. There are three main programs to be developed in order to improve the public education system along with postsecondary opportunities.

a. EDUCATION IN YOUR OWN HANDS

The Governor's vision is to develop the best educational system in America, focused on preparing children for success in a global economy, in the 21st century; to create a more attractive educational experience for our students, and provide all necessary support and tools to teachers.

Strategies

Prepare students to face the challenges of a modern economy

Change must happen in today's curriculum, at all school levels, and education must focus on preparing students for the challenges of a more competitive and global economy.

Create an Attractive Educational Experience

Student experience must be transformed from inside the classroom, through innovative approaches, attractive curricular materials, and computer science technology, to create a more stimulating and educational experience.

Improve Teacher Support

Teaching has to become one of the most interesting and respected professions in our society. It must be assured that teachers receive the tools and necessary support to do their job.

Promote School Autonomy

Give support to schools with needed resources, so that they may become independent, and create a culture for success with high expectations.

What we teach

Help students face the challenges of the modern economy

Transform school curriculums at all levels; help students acquire the skills that will be needed to compete in the future labor market. These include: to solve problems in creative form, to learn by themselves, to develop teamwork skills, to solve conflicts, to use computer science technology, to use mathematics and sciences to solve problems, and to explain complex ideas. In addition, to strengthen the education of sciences at all school levels.

Teaching of basic skills and their integration with other matters

Develop attractive, thematic modules that integrate the study of different matters and link the learning process with the student's background.

Emphasis in Bilingualism

- To improve the Teaching of English as a second language.

- To create a "virtual interchange" program in which the students will practice learned skills in reading and writing English, while connected to electronic mail recipients, students of other educational systems.

Classroom Experience

Stimulating and Attractive Educational Experience for Students

Implement an educational process based on practical projects linked to student interests. These projects will teach different subject matters in an integrated way, revealing the links that exist between the learning process and real life. Help teachers create a more stimulating educational experience, to retain the student interest and eliminate school drop-out problems.

Secondary Schools of the Future

Transform secondary schools into specialized schools with different subjects, that let the students choose and focus on their specialty of interest, like: computers, fine arts, communications, biotechnology, entrepreneurship, natural sciences, social sciences, vocational and technical courses, among others.

Student Motivation

Use different programs to develop student self-esteem, and emphasize that success takes effort and dedication. Use best practices from the entertainment industry to communicate these messages in impressive, and interesting ways, using multiple technological formats and resources.

The Computer as an Educational Tool

Organize school activities for all students so that they have the opportunity to learn basic skills with a computer. These skills include: reading and mathematics in an individualized and attractive approach, to learn English with a program of total

immersion, to learn to research by using the Internet, and then display the project results.

Identification and Individual Assistance to students left behind in basic courses.

Identify, early in the academic year, the students at risk of being left behind in basic courses, such as Science, Mathematics, English and Spanish to implement different alternatives of teaching intervention for the student, based on their particular needs.

Measurement of academic advantage of our students

Standardized Tests should be aligned against the learning standards and the student's classroom experience.

Special Education

Special Education Delivery of Agile and Coordinated Services

Create a system of tickets to accelerate the evaluation process, that will allow parents to choose an evaluation supplier without being limited by the administrative delays of the system. Integrate the therapist's work with that of the special education teachers to avoid that the student miss class and feels separated from his peers.

Adjustment of the services of special education according to the particular needs of each student

Establish classrooms with specialized curriculum for different conditions, at the regional levels. This will help take care of the different conditions these students have with much more specialized resources.

b. YOUTH: GENERATION OF CHANGE

Vision

Our youth need a Puerto Rico based on values, and guided by personal responsibility, with a vibrant economy that offers opportunities for achieving professional development, and promotes participation in educational, social and cultural activities.

Strategies

Create opportunities for economic development and jobs for youth

To establish an economic development plan on behalf of all Puerto Ricans, that will particularly offer jobs and real development opportunities for youths.

Good Educational Opportunities for Youths

To improve the educational experience for our young students, and provide them with alternatives for keeping them in school.

Promote responsible values and attitudes between youths

Prepare youths, in school and in the community, to become fruitful men and women.

Develop Youth Leaders

To identify talented youths, and make available to them the resources for their development, without leaving Puerto Rico, enabling them to contribute to the Island's development by using their ideas and demonstrating their performance.

Service Delivery for High-Risk Youth

To identify and give support to programs provided by the Third Sector, and offer efficient services based on the needs of at-risk youths.

Jobs and Young Entrepreneurs

To develop, professional training programs in collaboration with colleges and universities; prepare youths for their integration into the workforce; or give them the chance to establish their own business.

Accessible Home for Young People

To improve and expand programs with subsidies, mortgage credits, and insurance so that our young people have a much better opportunity to purchase a home.

Education geared toward youth needs

- The state will deal with school dropouts by transforming the learning experience in the classroom into a more attractive one.
- To promote the creation of combined work/study program experience with private companies; to provide university and high school students with the opportunity to complement their educational experience with practical experience, while at the same time, they can generate income to pay for living expenses.
- To increase the number of summer jobs and Internships with government support, to increase participation in community and faith- based organizations, and diversify professional experiences available through the participation of private industry.

Education of Values and Civil Behavior

Puerto Rico will introduce courses for the education of ethics and values in high schools, and promote responsible behavior in decision making, including subjects like sexuality, interpersonal relations, use and abuse of illegal drugs, violence and security in the highways, among others.

Expanding Youth Horizons

- Puerto Rico will establish the necessary infrastructure to allow youth access to Internet, opening them to worldwide experience. We will expand the use of computers and new communication technologies in public schools and universities, and place more information at the reach of our students.

- Youth Leadership - Create a progressive society where successful youths feel proud to excel by whether their academic merits, sport, artistic abilities, or professional success.
- Identify programs of the Third Sector dedicated to develop leadership qualities in youth, and invest funds in community and faith-based organizations, so that they can continue with their work.

Community Service for High-Risk Youths

It is important to work with the Third Sector to develop implement strategies that place resources and services directly available to youths in high risk.

POST SECONDARY EDUCATION

Vision

Universities, colleges and other post-secondary institutions, besides offering a quality education, will be a critical source of intelligence to formulate public policy and support other organizations that launch economic development strategies and help improve quality of life.

Strategies

Work together for a better Puerto Rico

Conserve, enrich and spread cultural values among Puerto Ricans and strengthen national conscience in the common task of finding solutions to problems in a democratic way.

Develop Committed and Responsible Individuals

To promote a holistic approach to student and teach individual responsibility to help contribute to the general well-being of our communities.

Create Opportunities of Success for All

To develop the intellectual and spiritual wealth in our people so that intelligence and spirit of those exceptional individuals that arise in all the social groups, especially the economically disadvantaged, can be available to the service of the Puerto Rican community.

Include universities in the search for solutions

To promote that universities collaborate with government and community organizations in the study of Puerto Rico's problems and while in search for solutions.

Support private universities and Community Colleges

Support student retention efforts in private universities that offer vocational or technical and entrepreneurial programs that help youths receive a good education, and increase their options for employment.

Jobs for Every Secondary School Student that Graduates

To create the environment for economic growth in all of Puerto Rico, so that each secondary high school graduate student has the opportunity to find an attractive job here, in Puerto Rico.

Resources for Youth Education

To work with academic institutions so that they include Puerto Rico in their world-wide academy and philanthropic innovative approach to obtain access to resources from public and private organizations for the benefit our universities.

Incubators of Ideas

To use public and private universities as support systems to public management and the development of public policy, the analysis of social problems, the creation of strategies for the Third Sector, the development of environmental studies, the implementation of infrastructure plans and the development of economic strategies, among others.

Promote Social Conscience in Youth

To promote youth programs in post-secondary education that create conscience of the importance of community work in society with our students.

Autonomy of the University of Puerto Rico

- Respect the autonomy of the University of Puerto Rico and the allocation of funds necessary for its efficient operation, for the maintenance of the physical and educational infrastructure, and for the expansion of innovative programs based on technology.

- To work with the University administration to help the Archaeological Research Center in Rio Piedras have suitable facilities to store, classify and preserve its valuable archaeological pieces.

Academic Offers from Private Universities and Community Colleges

Review the License and Accreditation process performed by the Council of Superior Education, to increase its effectiveness and use in private universities and community colleges.

Support talented youths to develop their artistic abilities

- Promote the education and publish the contributions of Puerto Rican artists from pre-school university levels.
- Offer scholarships to university students so they may become cultural tour guides and experts in conservation.
- Promote the creation of a baccalaureate degree in Tourism and Cultural Management.

3. 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).)

The priorities established for the Puerto Rico Workforce System include:

a. **Best Practice Approach**

The Puerto Rico State Workforce Investment Board and the Human Resources and Occupational Development Council have decided to take a "best practices" approach to develop the processes required to ensure effective, user-friendly, no duplicity of service, and recognize innovative practices in implementing public policies developed by the Board regarding the services provided by the Local Workforce Investment Areas.

The Best Practices approach is the process for setting standards based on quality of practice, variation of practice, multi-methodological approaches, and customer choice. Best Practices is a continuous improvement process.

Training and education providers, community colleges, community and faith based organizations (CFBO's), universities, professional associations, among other institutions, have a long history of delivering quality services to customers/participants inside and outside Workforce Investment Systems. The Best Practices approach are outstanding projects and initiatives in the Local Areas, targeted to specific populations and that also help to improve service delivery among the One Stop Centers.

The Workforce Investment Act requires that eligibility for a training ITA be based on an individual's inability to be employed or have a lack of employability that can be overcome by using a core and an intensive service as defined by the Act. WIA establishes One Stop Career Centers as a primary system entry point for assessing and documenting that an individual needs training to become employed. A Best Practice approach promotes finding and implementing outstanding service delivery in One Stop Center, that integrate the highest standards of quality, customer service satisfaction and user-friendly process, while meeting the administrative, fiscal, legal and regulatory requirements of the Workforce Investment Act and public policy developed by the State Board.

Priority Populations and Practices

1. The State Board will offer special attention those projects that achieve the integration of the different resources from the community, industry and WIA system partners, to develop an integrated strategy of services; that identify different funding sources to finance the youth, adult and dislocated workers activities, and that could be integrated with the Governor's economic development strategies. In addition, the activities that represent an innovation in current delivery of service to participants, that may be replicated with favorable quantifiable outcomes.

2. Initiatives will be focused toward offering services to out of school youths so that they may reach their high school diploma, continue postsecondary education and obtain a credential.

3. Projects of Entrepreneurship Training will be established to create micro-businesses and development of self-employment.

4. Service delivery strategies will be directed to Veterans and their eligible spouses.

5. To integrate community and faith-based organizations, various strategies will be developed. The strategies must have demonstrated effectiveness in delivery of services, to help priority system participants like out of school youths, persons with disabilities, and housewives, among others.

6. Projects will be implemented in alliance with the private sector, the industry and the academy, to develop training to fulfill a specific need identified to improve in the competitiveness of an economic development region.

For the implementation of Best Practice approach, a percentage to be determined of the Governor's State Reserve funds will be used to promote the development of these innovative projects. The State WIB Board will create a Best Practice Committee to evaluate the outcomes of the initiatives and recommend the allocation of incentive funds to the Board to the Local WIB Areas. In addition, the Board will promote the dissemination of the outcomes among other Local WIB Areas so that they may be replicated the awarded project, as an innovative service strategy.

The State WIB Board will issue public policy to encourage Local WIB Boards to develop innovative delivery service strategies in the Local Areas.

b. WIA and ARRA Integration with the Governor's Economic Development Program

The Governor of Puerto Rico's priorities for the State Workforce Investment System are directly linked to the strategies of economic development that will be implemented to promote job creation and revitalize our economy. The Economic Platform presents the strategies that will be implemented to generate economic

activity, and position Puerto Rico in a worldwide context. Concurrently, in our Islands multiple economic stimulus projects are being developed. In the next section are presented the strategies of the Governor to develop our economy and the priorities established for the investment of the ARRA funds.

C. Overarching State Strategies

What strategies are in place to address the national strategic direction, 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).)

1. Economic Development Projects

a. Planning and Urbanism: Puerto Rico is Great

VISION

This is a plan for the economic development the Commonwealth of Puerto Rico, based on three fundamental principles; a competitive economy, a healthy environment and the improvement of our quality of life.

STRATEGIES

Create a better atmosphere, a better economy and a better quality of life for all

Quality of life has to be improved so that each Puerto Rican may live in a more productive and competitive country.

Run a Simple and Efficient Government

Planning processes are to be redesigned in order to promote economic development; to give back last confidence in our planning agencies, to offer reassurance the process of applying for permits, and guarantee a sustainable, development in harmony with the environment.

Establish a viable policy for development and planning

A balanced supply of housing, industry, and green spaces will be promoted.

Adopt a new Urban Planning Model

Efforts will be combined and leadership enforced to promote the rehabilitation of cities and town centers so that they may become rich sources of economic and cultural activity.

Promote regional development

Regional development poles will be established to become centers for economic and social activity, taking Puerto Rico into a global level.

IDEAS AND SOLUTIONS

Puerto Rico is great!

To transform planning processes in order to bring back confidence in our planning agencies; to position Puerto Rico as a worldwide leader in economy, environmental protection, and a better quality of life. To take advantage of our geographic location and be a liaison in the Caribbean for those countries that want to do business with the United States and Latin America, as well as with investors from all parts of the world.

Integral plan for the Sustainable Strategic Development of Puerto Rico (PIDES PR by its Spanish acronym): A strategic plan will establish Puerto Rico's vision of its future economy, physical aspects, and social development.

Tools for a Sustainable Strategic Action and Coordination: This will be a set of plans for strategic operations by the state government. It will be prepared applying principles of fiscal and environmental sustainability. The goals, objectives, public policies, specific programs and projects included in, will be structured according to the level of priority and capacity, to advance the agenda.

Strategic Investment Projects: compendium of projects of economic and social investment required to achieve the vision as established. The list of projects will be chosen strategically according to the level of priority and capacity with which to advance the agenda as established.

Regional Maps for Land Use: This will be a regulation map for ordering land use studies that will direct strategic investments in each region, as established in PIDES PR.

Annual Audit of Land Uses: This audit will quantify the amount of land, used and available, for necessary human activity needed for the operation and suitable development of the Island. This report will provide information and an analysis about the supply and demand of land space by its usage, as well as the current and future patterns of development and needs, opportunities and considerations associated with the use of land. The audit will be the instrument though with the Government will assure that the land will be used appropriately, as compatible with the established vision.

Redesign of the Permit Processes

- One goal established by this government is to reduce the amount of permits and governmental bureaucracy, and to revise the law of certificates so that a registered professional may emit a Certified Permit to those projects that fulfill an effective regulation and do not contain variations.

- To establish pre-designed building drawings that will be known as "Safe Building Drawings" enabling new residential construction as stated in the established public policy, adopt recommended practices to be known as "Green Plans" for energy conservation, serving, resources and diminishing an impact on the impact to the infrastructure and environment.

- To create a Permit Auditors Office in charge of reviewing and auditing all certified permits granted by an authorized professional.

New Urbanism Model - reconstruction of initiatives in urban development

- The purpose of this initiative is to establish new urbanism policies that, will provide a balanced supply of housing, industry, and open spaces for an increasing population.

- To develop competitive cities, with a worldwide class infrastructure and multiple offers of green spaces. To further develop traditional urban centers, to conserve authentic character based on tradition and historical structures, although integrated with new technology.

Development Poles

Establish development poles of global and regional importance. They will be of high-priority for capital investment, and will act as magnets that concentrate efforts and investment at regional levels to assure that the development of the Island is balanced and responsive to the needs and strengths of each region. Among these high-priority poles of development are the following: • Golden Triangle (San Juan) • Martin Peña Channel(San Juan) • Roosevelt Roads (Ceiba) • Port of the Américas (Ponce) • Rafael Hernández Airport (Aguadilla).

b. PROJECTS FOR "PUERTO RICO IS GREAT !"

Walking Corridors - Cultural and Natural Corridors

To promote Cultural Corridors to expose and develop the cultural values and resources in central region towns

Regional Transportation System - Establish a regional, collective transportation system to connect the islands.

Unlimited Clean Energy Program - Establish Unlimited Energy Centers and Networks (CRELI by its Spanish acronym) as network centers of generation and distribution of renewable energy.

Self-sufficient, Planned Communities

To facilitate innovative projects to make self-sufficient communities, equipped to reduce environmental impact.

Tourism 100 x 35

Give support to tourist developments of agricultural, environmental, contemporary, and cultural character in the entertainment sector.

Improve the Environment: Former Refinery CORCO

To accelerate the cleaning process of the former CORCO refinery, in coordination with any and all related federal programs.

Marketing Environmental and Agro Energy Credits

To create a new industry of services and values associated with clean energy, agricultural and environmental goals.

To Improve the Infrastructure in Land Transportation, Highways, Ports, Tourism and Agriculture

c. AGRICULTURE: "SIEMBRA FUTURO"

The Agricultural Plan: "SIEMBRA FUTURO" is directed toward developing an intensive yet diversified agriculture, economically viable, and of high demand, taking into account the environment and rural communities.

STRATEGIES

Develop an entrepreneurial, workforce culture, based on quality and competitiveness

To train Puerto Rican farmers in technology and innovation, and integrate them with an active participation in competitive, high quality, industry.

Improve energy supplier through agriculture

To promote research and efficient use of agricultural energy supply resources, and the production of commercially viable bio-fuel.

The main initiative is to include agriculture as a key industry in our economic development model

- To increase investments in agricultural developments, and improve the agricultural budget in terms of productivity, innovation and conservation. To coordinate federal programs grants available for farmers in areas of conservation, innovation and substitution of fossil fuel sources for farming production.
- To give emphasis to self- sufficiency and innovation so that it leads to the design of eco-lands and eco-farms, as well as modules of high production.

Protection of Land of High Agricultural Value

PR will protect lands of high agricultural value by labeling zones for agricultural use, establishing agricultural reserves, agricultural right of ways, the transfer of development rights, and promoting intensive crop planning. In addition, the inventory of lands with high agricultural value will be updated by the use of GIS mapping.

Availability of water resources for agricultural use

State government will invest in the development of an infrastructure for irrigation, water drainage and storage, among other practices for agricultural use, as well as provide improvements to existing irrigation channels.

Protection for the Agricultural Industry

Will recognize the "right to farm" and legislate to empower farmers against urban intrusion, and facilitate the establishment of damping zones.

Poultry and Land-enterprise Training

- PR will provide the necessary resources to enable farmers to more to a more efficient, and highly productive agricultural sector.

- PR will sponsor training in agricultural businesses in specialized vocational and technical schools programs.

Support to Local Organic Crops

- PR will promote the development and implementation of new technologies and strategies for the production and conservation of energy, such as the production of energy with bio-mass at the industrial level, or of ethanol, derived from sugar cane.

Promote island-wide Agro-tourist Industry.

Special Attention to the Agro-Industry sector.

1. Milk Industry - The Puerto Rico Department of Agriculture will adopt the use of standard fixed price formula like the "Harmonized Milk Price Index".

2. Poultry Industry - A demonstration project stimulate the construction of bio-digesters for recovery of methane and production of renewable energy and compost from bird waste.

3. Coffee industry - PR will implement the "Hands for the Farm" plan to identify, promote and provide diverse workforce alternatives, such as "guest workers", the unemployed, students, and inmates, as an option for lack of workers.

4. Farinaceous - PR will promote private sector projects for the elaboration and packing of bananas, plantains and other farinaceous products.

5. Other Crops

    i. To promote "Units of High Production" of fruit trees, ornamentals, grains, vegetables, and medicinal plants, among others, as well as in the meat industry of cattle, pork, rabbits, eggs, and others.

    ii. To facilitate the entrance and expansion of seed propagation and improvement industries.

    iii. To promote research to developing technology that facilitates the planting, maturity and recollection phases of agricultural products.

    iv. To promote the competitive advantages that offer PR a chance for the development of an aqua and aquiculture with suitable technical formation.

2. INITIATIVES FOR ECONOMIC DEVELOPMENT REGIONS

The Commonwealth of Puerto Rico has 78 municipalities with various degrees of autonomy from the central government. A recent experiment has been the creation of a regional economic development entity, known as INTECO, in order to participate in the WIRED Program initiatives promoted by the USDOL. This experiment has proven to be a very successful economic development strategy that may grow and serve as an example to the rest of the Island's urban and domestic growth areas.

The WIRED Program initiatives concept for regional economic development may be explained as follows:

Regional economic development initiatives operate from the stand point of a non-profit corporation with its own Board of Directors made up of town mayors, academia, and private sector. As the main economic development promoter for its region, its main purpose is to work and follow a Comprehensive Regional Socioeconomic Plan. The Plan will delineate the development of its economic assets as well as potential opportunities within its reach, and follows a set of strategic principles that look to the market as the main tool for development, treats technological innovation as the principal thrust of change, recognizes collaboration between sectors as indispensable to development, sees human talent as the region's most important asset, and defines it as the hub of collaborative alliances in the region.

INTECO's regional alliances are currently providing services of on the job training, focusing efforts on reducing the digital gap between low income communities, as well as devoting efforts toward the development of technology parks for research and development, or in creating micro-enterprise incubators.

Once WIRED funds are expended, and the grant is closed in mid-year 2010, INTECO's regional initiatives will prove their sustainability and on-going success through their organized plans for the future, and by working alongside their fellow WIA partners and service providers in the region. Their success stories are well worth repeating in any part of the Puerto Rican economic growth plan.

2. PRIDCO INFRASTRUCTURE INVESTMENTS

PRIDCO (Puerto Rico Industrial Development Company) is the agency with the task of assisting new enterprises or companies on how to set up work 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, with some 25 million square feet, of which 1.5 million is available for rent.

Puerto Rico is a low cost gateway to the most lucrative life science market in the world. Here industries can enjoy the benefit of operating within a U.S. jurisdiction, with the added tax benefits of operating under a foreign tax structure. Puerto Rico's valued position offers an unparalleled combination of both financial and operational advantages.

Puerto Rico has spent billions of dollars to ensure a world-class infrastructure that includes, telecommunications network, satellites to connect Puerto Rico with the world, has world class ports and airports, a system of highways, and a reliable energy supply system, among others.

3. COMPETITIVE CLUSTERS: ECONOMIES OF AGGLOMERATION

Another of Puerto Rico's economic development strategies is the retention and promotion of high technology, high growth, and high wage industries.

In order to create high-value jobs and economic activity, Puerto Rico developed a vision, a strategy, and a sophisticated approach to attracting and retaining future industry by using the "Cluster Strategy".

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

To ensure its position as one of the premier manufacturing locations in the world and to facilitate its further development, Puerto Rico has identified its top five industry clusters: Pharmaceutical, Medical Devices, Biotechnology, Electronics and Contact Centers.

4. The Micro-business Development Center

The State WIB will create a Micro-business Center (CEMIC by its Spanish acronym), that will have a bank of *ad honorem* Advisors, and/or professional services, to offer technical assistance to Local WIB Boards in the process of designing is projects, with the integration of service providers, community colleges, trade schools, faith based community organizations. The Center will have the following functions:

- Design an entrepreneur training and micro business approach, maintain quality controls of the implementation and find financial resources for micro-business to be developed in these local areas.

- Give emphasis to market research for the benefit of each potential micro-company, such as in business design, establishment of prices, promotion and advertisement opportunities, and help new businesses to get inside the active market.

- Establish guidelines for micro-company training. They must have professional resources in business development, and infrastructure to develop pilot projects. This approach requires the upgrading of Occupational Counselors at the local level and to create a reengineering process, so they may offer technical assistance on how to establish a business, with the CEMIC's support.

- Create alliances and provide support services to business organizations with such entities as the Puerto Rico Department of Economic Development, the Association of Small and Medium Companies (ASOPYMES by its Spanish acronym), the Small Business Administration, the PR Economic Development Bank, the Association of Puerto Rican Products and the Minority Business Enterprise Center (MBEC).

- Create instruments for candidate selection, develop training procedures, and offer technical assistance to entrepreneurial candidates.

- Create an outreach and public awareness program to teach the benefits and potentials of micro-businesses. The Center must develop support mechanisms and give follow-up services to new micro-businesses during their first start-up years.

CEMIC Pilot Entrepreneurs Training Program

A micro-company is a business that has been developed from self-employment, has less than 5 employees, and requires a small initial investment capital. The owners of a micro-company usually do not fill the financing requirements in order to obtain credit and institutional financing.

An entrepreneur is a person with innovative ideas for the development of a product, a service, or ways to improve existing products and services. Entrepreneurs on their own impulses take advantage of these opportunities to design with creativity, determination, and motivation. Micro-industrialists, once establish their first experience, have the potential to become "serial entrepreneurs", creating and selling successful businesses, turning into incubators for small businesses. The identification of this type of entrepreneur can be very useful for it creates economic activity.

The CEMIC Pilot Entrepreneur Training Program will identify potential candidates to become entrepreneurs as a strategy to promote economic activity. This program will help participants to develop their potential as entrepreneurs, initiate their micro-company and reduce economic dependency. Some of the tools to be developed will be the identification of business skills, administration and handling of small businesses,

motivational support, behavior modification, and search for financial resources. The CEMIC will provide technical assistance, individual council, classroom training, services for loan packages, and follow-up during start-up stages for new entrepreneurs.

In Puerto Rico, programs have been established for the development of micro-business only, to confront specific situations of unemployment. They have not been institutionalized as permanent training programs. The present economic crisis, and the need to reduce the government payroll, present suitable conditions for developing this project as an alternative to government layoff, dislocated workers of any industry, and college graduates.

Micro-business promotion programs help identify positive features and strengths of an individual, the development of capacities to generate income, and obtain self-sufficiency. This concept is the core philosophy of a micro-business.

Entrepreneurship Training and Design

This project includes the development of an intensive curriculum of business skills, with a12-week duration, at a training rate of 3 hours daily.

The curriculum will include, among other aspects:

- Market Research,
- Preparation of a business plan
- Financial plan to obtain micro loan,
- The Market Plan,
- Technical assistance in the initial stage of business start up
- Follow-up operations for a period of not less than 6 consecutive months.

To implement this program Pilot Projects will be developed at the Local WIB Areas. Incentives will be awarded for Best Practices.

Curriculum development will be done by using the following strategies:

1. The use of training facilitators becoming result oriented, interactive meetings, use of team work, conflict resolution and group cooperation.

2. The use of business community resources as role models, by special, successful micro-industrialists.

3. By developing technological skills, more specifically the use of a computer, as a tool for business management, for online supplies inventory, and a supplier database.

4. Including the education in basic business survival skills, the use of technical business language and accounting techniques.

5. Give emphasis to basic skills education, behavior at the worksite, and the importance of interpersonal relations.

Entrepreneur Candidate Selection

The Entrepreneur and Micro-business Projects requires the design of a questionnaire, or test for business skills, to be used as an assessment tool so as to select the most suitable candidates and establish a micro-company. The survey will take into consideration behavior aspects that reflect personality characteristics associated with the profile of an entrepreneur. Some examples of these criteria are: whether or not the person likes to make new things whenever possible, whether or not likes to solve problems in creative ways, is persistent, fast and likes to research of ideas.

The questionnaire will be complemented with an Objective Assessment to be taken by all participants at the One Stop Center. The initial interview will take into consideration the business criteria that allows a case manager to identify if a person would successfully establish a micro-company.

LIFE Skills Approach

In the Objective Assessment, the Case Manager will consider the life skills projected by all candidates. Local Areas will use the USDOL Competition Models on the Workforce, and gather date at the PRDOL. Some examples of these competitions are:

- Skills of Personal Effectiveness, like integrity, professionalism, initiative, among others.
- Academic Skills, like reading, mathematics, technology, among others
- Entrepreneurship and Workplace Behavior Skills, team work, planning an organization, among others

Catalogue of Occupations

The CEMIC will develop an inventory catalogue of occupations, services and products in demand, with the potential to develop micro-company operation. This catalogue will allow for making suitable candidate matching with the opportunities available in the market, and include the descriptions of all the possible occupations such develop self employment.

Project Effectiveness Evaluation

Entrepreneur training and the effectiveness of CEMIC will be evaluated with basic evaluation guidelines of projected outcomes and delivery of service among participants, service providers and the community. The evaluation criteria will include structured interviews, pre and post training questionnaires, interviews to services providers, public opinion about the micro-businesses and entrepreneur training, with open discussion forums, among other things.

Project Branding

The development of micro-businesses as an alternative to jobs in Puerto Rico, requires a coordinated effort to standardize and institutionalize it as a method, as a source for

economic development. Short, medium and long term measures will be developed to ensure success. The following being example:

1. Spread entrepreneur training and the micro-business concept over the Workforce Investment System.

2. Support continuous fund allocations for entrepreneur training for WIA participants interested in establishing a micro business. Formulas allocation of funds for entrepreneur training will be promoted among Local Boards.

3. Support a Best Practice Approach to multiply successful micro-business as role model for new entrepreneurs.

4. Promote the entrepreneur approach as a job alternative among the young.

Micro-business Financial Options

The financing options that will be available for entrepreneurs to start their micro-business will be the following:

1. **Waiver of Capitalization of Funds Leveraging for Small Business Development** - WIA funds will be used for the capitalization of business pursuant to Waiver of WIA Section 181(e) that allows WIA funds to be used to capitalize a small business up to $5,000, for participants with entrepreneurial or micro enterprise training. Also, the Board could make public policy to encourage Local WIA Boards so that WIA funds may supplement training and create more opportunities for assisting with start-up costs for new small businesses.

2. **PUERTO RICO'S ECONOMIC DEVELOPMENT BANK STIMULUS FOR SMALL ENTREPRENEURS** - The **Program of Guarantees PYMES** was created by the Economic Development Bank or Puerto Rico (BDEPR by its Spanish acronym), to guarantee loans granted by Puerto Rico's financial institutions (Banks) to eligible businesses, as defined in BDEPR Regulations for Financing. The **PYMES Guarantees Program** will serve as a tool to help finance for companies that have limited access to capital, have a lack of liquid funds, or have insufficient collateral to endorse their own loans. The approach will

be to provide incentives to these commercial banks so that they award loans to companies that demonstrate good financial standing, and operate in ways that fortify and/or make their businesses grow. The maximum loan amount for a business will be that of up to $250,000

3. **The Fiscal Emergency Special Law (LESEF by its Spanish acronym),** addresses the currently confronted severe fiscal crisis. The law provides a voucher for vocational/technical training of up to $2,500. It also, provides up to $5,000 to each public employee affected by the Reconstruction Plan.

4. **Youth Entrepreneurship Loans** from State Law No 23, of January 3, 2003. Under this law, the Puerto Rico Office for Youth Affairs offers loans to young people so they may complete technical and vocational training or starts their own business. Loans of up to $10,000 will be approved to participants, for machinery and equipment purchase, necessary to start their business operation, and for the rental of commercial space. Qualifing youths are between the ages of 18-29 years of age, that are under the USDOL poverty levels, and have completed training in small businesses management in an accredited institution.

5. PUERTO RICO'S RECONSTRUCTION PLAN

The main goal of this Local Reconstruction Plan is to stabilize the economy and restore public finance. To achieve the economic reconstruction, the government of Puerto Rico will develop the following four initiatives:

a. THE LOCAL ECONOMIC STIMULUS PLAN (PEEC, BY ITS SPANISH ACRONYM)

The Local Economic Stimulus Plan (PEEC, by its Spanish acronym) provides $500 million to promote the Islands' economy and counter the potentially recessive effect of the fiscal measures implemented as part of the Economic and Fiscal Reconstruction Plan. The PEEC complements the federal economic stimulus program and is directed

toward the construction of a permanent infrastructure, with the immediate creation of new jobs.

As part of the PEEC, the government established the Plan for Investments in Our Infrastructure ("PINI" by its Spanish acronym), with an allocation of $100.000.000 destined for essential infrastructure projects throughout the 78 municipalities. PINI is described in more details in the infrastructure projects section ahead.

PUBLIC-PRIVATE PARTNERSHIPS (PPP'S)

Puerto Rico has enacted new legislation to promote the development of public-private partnerships or alliances for the development and operation of infrastructure projects. The state's public corporations and major utilities are under hard financial pressure with a lack of funding capability to develop a for the needed boost infrastructure economic development. This regulatory and promotional frame is expected to provide an alternative needed to reach the goals for infrastructure development. Public Private Partnerships are a collaboration between the public sector, the private sector, non profit entities, cooperatives and municipal corporations, via partnership to develop infrastructure projects, manage government assets and provide a vast array of services. The nongovernmental partners take on certain responsibilities and risks related to the development of projects in exchange for getting the benefits of operating it. The main benefits for the government are the lower costs to develop public service projects, reduction of financial risks, creation of new sources of revenue, and redirecting public resources to focus on public policy implementation.

Some of the areas of opportunity for these partnerships are:

- Highway projects
- Maritime Ports and Airports
- Transportation
- Lottery
- Solid Waste
- Drinking Water
- Renewable Energy
- Real estate development

ECONOMIC DEVELOPMENT SUPPLEMENTAL STIMULUS

The State's Economic Stimulus Law sets forth a mechanism that at the local state level will optimize and expedite the flow of $5 billion in federal funds assigned to Puerto Rico, as part of the federal economic stimulus packaged. Among other funds opportunities, this package provides $40 million for job retraining and relocation programs that will be complemented by $15 million provided for under the state's PEEC to facilitate a worker's transition to a new job.

b. STRATEGIC INFRASTRUCTURE PROJECTS

1. PLANS FOR INFRASTRUCTURE INVESTMENT

As part of the state's PEEC, the government of Puerto Rico established PINI with an allocation of $100 millions, destined for essential infrastructure projects in the 78 municipalities. The PINI has two fundamental objectives:

(i) To provide an immediate stimulus for our economy by an injection of funds to infrastructure projects

(ii) To start up short term solutions for the infrastructure problems of the municipalities. In addition, the PINI also tries to alleviate the fiscal crisis that many municipalities has.

PINI contemplates two (2) rounds of fund distributions. The first round consists of the municipalities using the allocated funds in two ways: (1) for payment of debts owed the other State Government agencies, like water supply, energy, among others; and (2) for projects of essential infrastructure.

In order to develop infrastructure projects, each municipality will develop a maximum of two (2) proposals. Each project will have to fulfill the following requirements: (1) It must be ready to begin construction in or before sixty (60) calendar days after being awarded, and (2) must be for construction or

improvements to an infrastructure of essential character like, (i) sanitary and pluvial aqueducts and systems; (ii) roads and bridges; and (iii) for system of electrical energy and/or public lighting system. The construction contract for PINI projects will have ten (10) calendar days to begin construction. The second round will be for funding long terms projects without any funding limits.

2. SUPPORT FOR SMALL ENTREPRENEURS

The **PYMES Guarantees Program** was created by the Economic Development Bank of Puerto Rico (BDEPR by its Spanish acronym) to guarantee loans granted by Puerto Rico financial institutions (Banks), to eligible businesses, as defined in the Regulation of Financing of the BDEPR. This Program will serve as a tool for financing companies that have limited access to capital, and lack liquidity or insufficient collateral to endorse their loans. The BDEPR will provide incentives to commercial banks so that they may give loans to companies that demonstrate good financial and operational standing. Maximum business loan will be up to $250,000.

3. ECONOMIC STIMULUS TO CONSUMERS

STIMULUS FOR HOME PURCHASE

The Program of Home Purchase Stimulus is designed to stimulate and stabilize the real estate market in Puerto Rico. The program will help reduce the amount of money a family needs in order to acquire a home. The program will be available for the purchase of first and second new homes from developers and participating banks.

4. Projects to Streamline construction and business operation permits

The state government has submitted a new bill (Senate Project No. 880) during this current legislative session, to restructure the entire permit process, flowcharts, agencies and philosophy. In the meantime the Governor of Puerto Rico established the Interagency Committee for Permits and Endorsement (CIPE by

its Spanish acronym) to coordinate, facilitate and accelerate, the multiple governmental agencies, this evaluation and concession of permits to projects such as:

i. Commercial projects of less than 500,000 square feet
ii. Industrial projects
iii. Housing projects of social interest (low and medium income families)
iv. Housing projects with units prices of up to $200,000
v. Tourist projects
vi. Institutional projects
vii. Projects of public infrastructure.

This permit process streamlining is focused on the identification of strategic projects that give immediate support to the economy, the capability to generate jobs and economic improvement. Throughout these efforts, the government expects an economic impact of $12,600 millions in investments, generated by approximately 900 housing projects pending in the Puerto Rico Planning Board, another 2,400 Construction Permit Applications, 1,700 Project Drafts and 1,800 Preliminary Developments to be submitted to the Permit and Regulations Administration (ARPE by its Spanish acronym).

5. ARRA FUNDS INVESTMENT INITIATIVE

a. TRANSPORTATION AND HIGHWAYS (ARRA PROJECTS)

The Department of Transportation and Public Works (PRDTPW), by means of the Puerto Rico Highway and Transportation Authority (PRHTA), is implementing the applicable provisions of the American Recovery and Reinvestment Act of 2009 (ARRA), related to transportation and highway projects. With ARRA funds allocated for Transportation Projects, $105 million will be invested for projects FHWA (SAFETEA-LU) and another $69 million for FTA projects (Sections 5307, 5311, 5340). Investment priorities are:

- Road Rehabilitation
- Construction and reconstruction of bridges
- To prevent and reduce land slides
- Mass Transportation Projects
  - Bus Purchase
  - Light passenger trains
  - Bus Rapid Transit Lanes
  - HOT (Lanes for 3 Passenger or More Pools)
  - Improvement to the Urban Train Stops
  - Collective Transportation Infrastructure

b. Other Infrastructure Projects

To promote regional economic development, funds will be invested in strategic projects that will have an immediate effect in the economy. The most significant are:

- Improvement of Rafael Hernández Airport in Aguadilla, Northwest Region.
- Development of Sport Infrastructure for the Central American and Caribbean Games to be celebrated in Mayaguez in 2010, West Region.
- Complete the Port of the Americas in Ponce, South Region
- The Golden Triangle Development in San Juan, North Region
- Development of the former Roosevelt Roads US Navy Base in Ceiba, East Region
- Cleaning and canalization of the Martín Peña Channel in San Juan
- Other projects
  - Bioscience Projects
  - Roads Networks
  - Drinking Water Projects
  - Housing Projects
  - Agriculture Projects.

D. Service Delivery Strategies, Support for Training

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 (§112(b)(17)(A).).

The State is developing innovative strategies to accomplish the State vision and achieve the goals of WIA and the Recovery Act. These strategies include:

- **Establishment of training priorities to Local Areas**

  The HRODC sent a directive to Local Areas establishing the following:

  - The priorities of services will be training activities with emphasis on entrepreneurship
  - The use of 50% of the funds for programmatic activities for training activities and services

- **Special Projects**

  Innovative services will be offered through by creating special projects that use the State Reserve Funds and Local Area funds from WIA and ARRA. These projects will be developed in collaboration with eligible private, non–profit, or for profit organizations, along with Community and Faith-Based Organizations (CFBO's).

  New guidelines have been developed as the standards and procedures to be followed by interested Service Providers during the proposal presentation process (RFP's). The purpose of these new guidelines' is to improve competition in the selection of eligible, qualified entities as they must be the best to utilize the funds in innovative ways, in compliance with WIA and ARRA requirements, and policies established by the State Board and State Council.

  The grant applications presented must comply with the necessary specifications to meet programs objectives. The objective assessment criteria allows a systematic process of evaluation that will assure and facilitate the approval or denial of these projects within a reasonable time period.

  It is indispensable to offer services that meet the needs of the population. Local job demands will be taken into consideration when offering real alternatives to the public. Furthermore, funds will be used to promote and move forward the government's plan and give the utmost attention to the main priorities identified by

the Governor, to expand the local economy. All submitted proposals covering these priorities, as described on the following categories, will receive a higher mark in their evaluation. These are:

- **Entrepreneurship: Creation of Small and Medium Sized Businesses** – Provide training on entrepreneurship and employment development through business creation and/or business expansion.

- **Jobs to promote exports and bring in Foreign Multinational Subcontractors**

- **Science and Technology** – High technology jobs, research, biotechnology, bimolecular science and/or food technology.

- **Green Jobs -** The green economy or green jobs is an emerging industry in Puerto Rico and one of the Governor's priorities. The Government of Puerto Rico, in coordination with the Administration of Energy Affairs of Puerto Rico, under the Infrastructure Financing Authority, has organized a group of agency officials to develop strategic projects targeting the green economy on the Islands.

By developing the grant competition process, a selection of innovative proposals will ensure quality of service, based on the Provider's originality and experience in serving the targeted population.

In following WIA guidelines, it is essential to ensure that public and private organization promote innovative programs to satisfy the population training special and vocational needs that at risk to live under poverty levels.

- **Improvement of the following software by integrating functionalities in one seamless system for use by the Employment and Training Systems**

  - **SIAC** - WIASRD/ES Web based case management software (SIAC for use by all grantees administering Wagner-Peyser, Veterans Employment and Training Service, Workforce Investment Act Title IB, National Emergency Grants, and Trade Adjustment Assistance programs funded by the United States Department of Labor (USDOL). The primary purpose of this new reporting system is to:

    - Establish a standardized set of data elements, definitions, and specifications that can be used to describe the characteristics, activities, and outcomes of job seeker and employer customers served through the One-Stop delivery system;

- Facilitate the collection and reporting of valid, consistent, and complete information on job seekers and employer customers in order to support the overall management, evaluation, and continuous improvement of workforce programs at the local, state, and federal levels; and

- Reduce duplicate record keeping by allowing grantees administering multiple USDOL-funded workforce programs to utilize a single set of data specifications and formats to report on a job seeker's and employer's interaction with the One-Stop delivery system.

- **SEO - Job Matching System:** Computer Tracking System for use by the One-Stop System and the Employment Service of the Commonwealth of Puerto Rico. It is a website for employers to look for Puerto Rico-based talent, post job opportunities, and integrate employment events into a single, cost free point of contact for job seekers searching for job opportunities. SEO includes Puerto Rico's employers, national commercial job boards and niche industries. As a result of this system, the website "puertoricotrabaja.com" (puertoricoworks) was created.

- **SERR** – Web based case management system designed for the immediate tasks of the Rapid Response Unit.

- **Training Providers Web Based System** - Computer Tracking System for use by the One-Stop System of the Commonwealth of Puerto Rico. It is a website that manages all the information related to the eligible training service providers.

- **Changes and Innovations in Labor Market Information System (LMIS)**

  - An up-grading of the LMIS has been made to incorporate Green Jobs classifications and data collection including job opportunities, UI claimants for available positions, skill and educational requirements, available educational institutions for training, referrals to the One Stop Centers. Also, modification of the reporting system will include participants and activities under the American Reinvestment and Recovery Act (ARRA).

  - Labor Market Information profiling system for Reemployment Services has been revisised. Through the integration of new profiling parameters to the system,

early detection and services for reincorporation to labor force are provided to potential benefit exhausters.

- Reemployment Eligibility Assessment Grant (REA) – A proposal was submitted to the USDOL by the Puerto Rico Department of Labor and Human Resources (DTRH) under the REA Grant targeting dislocated and unemployed workers, claimants of Unemployment Insurance benefits to assist in their career transitions to green jobs.

  The new job slots will be referred to the Unemployment Insurance office for identification of workers. The REA initiative targets dislocated workers mainly from the manufacturing industry. These worker's previous occupations will be identified through the North American industry Code System (NAICS) to green job related occupations. Afterwards the identified workers will the referred to the One Stop Centers wherein their case managers will design a transitional training activities and job placement.

- **Layoff and Plant Closing Aversion Procedure**

A new procedure will be established at the State Level Rapid Response Unit to prevent the layoffs and plant closings. A proactive and preventive approach will be used, based on the attention to the needs of the employers' who are potentially threatened to close or lay off workers, due to economic difficulties. This approach is based on the "businesss service" initiative by which the methodology of "intelligence gathering" helps identify and analize the various indicators that can anticipate corporate economic problems. This preventive approach of "Action no Reaction" is geared toward the early identification of possible closings and layoffs and the inmediate implementation of strategies and measures to prevent them, or to offer the necessary assistance and services in order to have a transition process with the least negative impact on the organization and its employees.

- **General Criteria for Individual Training Accounts (ITA's) and Supportive Services**

The state level will develop general criteria for the Local Areas in order to ensure a more uniform and consistent provision of services within the Workforce Investment System of Puerto Rico, regarding Individual Training Accounts (ITA's) and Supportive Services.

II. Service Delivery

A. State Governance and Collaboration

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.

The agencies involved in the public Workforce Investment System have direct relations with all state economic development agencies. The HRODC is under the servicing umbrella of the Department of Labor and Human Resources, and is physically located at the Administration of Economic Development of Puerto Rico. These facilities are also shared with the Puerto Rico Industrial Development Company (PRIDCO), responsible for promoting the Islands for foreign investment. The Workforce Investment System keeps direct communication with economic development agencies. These agencies receive the necessary information about available workers and economic incentives for them to settle down in Puerto Rico and expand operations. On the other side, the agencies in change of economic development keep close communication with the system regarding future expansions, new companies settlement, or of new products to be developed in Puerto Rico.

With the Governor Reserve Funds and/or Local Areas funds, Adult and Dislocated Worker Programs, provide Customized Training or On-the-Job Training (OJT), for new and established companies.

PRIDCO uses Workforce Investment System services as an incentive, in addition of those already offered by the government, to attract and to retain companies. Often, industries use the Workforce System to upgrade their worker skills to retain their jobs, and help industry to maintain worldwide competitiveness. With State Reserve Funds, the system has offered incumbent workers training to companies which comply with the following conditions:

- Introduction of new products and new technology in their production lines

- Certifications required by high growth, high demand industries, like ISO 2000, Lean Manufacturing, among others.
- Expansion of their operations in the local market.

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).)

The Department of Labor and Human Resources, the State WIB and the HRODC continue to be proactive, using innovative strategies to improve operational collaboration in the workforce investment activities, programs and services, among public and private entities. This includes joint participation of the State's top level officers in meetings, conventions, seminars, conferences and committees in and out of Puerto Rico.

The Secretary of Labor and Human Resources is a lawyer with ample experience government, private and labor sector. He is actively participating in the government's strategies to overcome the present economic and fiscal crisis, with the use of ARRA and WIA funded initiatives.

The State Board President is an economist, college professor, former Right to Employment Administrator, and has been an advisor to Local WIA Areas, and participated in other economic development related agencies. Board members include, among others, the Secretaries of Labor, of Economic Development, of Education, Family Affairs and Housing, the Administrators of Vocational Rehabilitation, and of the Youth Affairs Office, Legislators, Mayors, and representatives from private sector, academia, CFBO's, and labor unions.

The HRODC's Executive Director is a former Local WIA Area Director with strong links to government heads and representatives, as well as to workforce-related organizations. He actively participates in promoting WIA and ARRA funded projects and services among government and private sectors.

In addition to the above, there are the mandatory partners, with whom the Local Areas have established or are in process of establishing new MOU's. Also, it is worth noting that some of the Local Areas are located in municipal facilities. In this way, some mayors provide the necessary infrastructure which facilitates better service delivery options.

B. Reemployment Services and Wagner-Peyser Act Services

Describe the reemployment services the state provides 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. (§112 (b)(17)(A)(iv).)

The Employment Security Bureau integrates the Employment Service (ES) and Unemployment Insurance Programs, as stated by the Wagner-Peyser Act, and as amended by WIA. It established a system for "Worker Profiling and Reemployment Services". This program is coordinated between the Employment and Unemployment programs to help Claimants find jobs before they exhaust their benefits.

The Employment Service continues to coordinate services with the Unemployment Insurance Program, by offering reemployment services to Claimants, as required by the Wagner-Peyser Act, through Local Level Merit Staff, the Benefits Automated System (SABEN for its Spanish acronym), and the Employment Service System "Interempleo" or its substitute. Currently 80% of the claims are taken by a Call Center. Only two (2) offices, Aguadilla and Mayaguez, take claims on-site, and only Claim Takers refer UI Claimants to ES Offices.

All Unemployment Insurance Benefit Claimants are registered, and receive Employment Service Core Services. Those with determined characteristics (difficult to employ) are identified by the SABEN program. These Claimants are notified by the system, to visit the nearest Local Office to receive Reemployment Services before they exhaust their unemployment benefits. Among other support services, those offered are: Counseling, Job Search, Individual Employment Plan and Case Management. Failing to go to appointments without a justified cause will be reason for losing the UI Benefits.

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 is the following:

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

System Structure

The Puerto Rico Employment Service Program delivers employment services by means of fourteen (14) local offices. Integration of WIA and Wagner-Peyser programs has consisted of the representation of the DLHR at the WIA Local Board level, and Local Areas by means of Representatives of the Employment Service, Veterans' Program, and Unemployment Insurance, as established by the current MOU's.

The Wagner-Peyser Employment Service includes the following Program Services:

- Employment Services for Veterans
- Employment Services for Students
- Reemployment Services
- Employment Services for Special Groups such as:
  - UI Claimants
  - Elderly
  - Disabled
  - Dislocated Workers
- Work Opportunities Tax Credit (WOTC)
- Foreign Labor Certification
- Employment Services for Farm Workers
- Employment Services to Migrants Farm Workers
- Initial Services

- Employment Registration
- Career Counseling
- Job Placement

C. Adults and Dislocated Workers

1. Core Services. §112(b)(17)

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).

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

The DLRH and the HRODC are fully committed to the integration of programs and activities into the One-Stop Systems at the Local Workforce Investment Areas, in order to ensure adults and dislocated workers, have universal access to the established core services that must be provided for targeted populations in the corresponding geographical areas. This integration promotes the availability of services in a more accessible way, permitting at the same time to maximize the use of available, economical resources, in order to cope with participant needs.

Section 121 (b) of WIA establishes that programs and activities must be integrated into the One-Stop System at the Local Workforce Investment Areas. One of the principal reasons for the One Stop Service System is the integration of available program services for targeted populations in the corresponding geographical areas. This integration promotes the availability of services in a more accessible way, permitting at the same time to maximize the use of available, economical resources, in order to cope with participant needs.

Services offered by each of the One-Stop Centers (OSC) required or optional partners are contained in Memorandum of Understanding (MOU). Among other things, each MOU should specify the specific services each partners will provide participants at the OSC, and how they would be provide them. Each client visiting an OSC is evaluated by a

Case Manager or Career Counselor, who then establishes the course of action to be taken. To determine participant needs, he/she is referred to one or more partners. All OSC's have a physical or technological presence of required and optional partners, deemed to be beneficial for to the Local Area population being served.

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.

In order to deliver core services more effectively, the DLHR Secretary and the Executive Director of the HRODC have designated a committee in charge of the administrative, physical integration, and relocation of WIA and Wagner-Peyser Components into one structure

2. Training Services.

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.

The Governor's vision to increase access to training and opportunities for individuals is described in Section I(C) (Governor's vision for ensuring a continuum of education and training opportunities that support a skilled workforce (§112(a) and (b) (4) (A-C))

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's validation of the One-Stop Centers assures that each local area is providing the necessary services mandated by WIA. Regarding individual assessment process, each one stop center has developed its own.

D. Youth Services

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 includes the Governor's vision for ensuring that every youth has the opportunity for developing and achieving career goals through education and workforce training.

ARRA Youth Services - Emphasis in "Green Jobs"

In Puerto Rico, energy efficiency and renewable energy industries are in sprouting, taking first steps in finding a solution to fossil fuel dependence. These emerging industries will offer new labor opportunities that may require additional training and certain certification. Our current youths need to be introduced to green job opportunities. The State Planning Guide for ARRA and WIA Local Plans development established the Summer Program as a priority in development of green jobs.

Through the Recovery Act, a number of federal programs will receive large funding amounts for programs and projects that may create green jobs, such as investments in renewable energy infrastructure, energy-efficiency home retrofitting, biofuel development, and advanced drive train/vehicle development and manufacturing. Local Areas are encouraged to coordinate and make alliances with green job grantees and recognize the opportunities to prepare workers.

The HRODC identified 6,270 industries with industrial NAICS code. The job list was classified by local area, municipality and industrial sector. With the O*NET System, Local Areas will identify a number of green occupations in Puerto Rico, such as power plant operators; electrical engineers; heating, ventilating and air conditioning (HVAC) mechanics and installers, among others.

Local Areas will consider the following regarding green jobs:

- They must be sustainable jobs opportunities
- Whether they fulfill the minimum wage requirement
- Whether they offer training opportunities and promote certain labor security.

E. Veterans Priority of Service

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), 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?

Veteran:

The ETA definition of Veteran for the Workforce Investment Act is:

- "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 being discharged or released from active, military, naval, or air service.

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 with priority for veterans and persons with disabilities.

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

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 of preference for a particular group of participants, or requires spending a certain portion of program funds on a particular group of participants. Veterans' priority is applied as follows:

- An individual meeting both the veterans' and mandatory priorities, or spending requirement or limitations would obtain the highest preference for the program.
- Veterans within the program's mandatory priority would receive preference over eligible non-veterans outside the program as a specific mandatory priority of 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, spending requirement, or limitation (once the spending requirement or limitation is met).

Service and Activities:

According to Sec.661-240 of the WIA regulations, the State Board, should establish policies, interpretations, guidelines and definitions to implement provisions regarding this title. A state policy will be established to develop a service strategy to implement priority of services for veterans and eligible spouses that live in Puerto Rico, for job training programs.

Impact on Workforce Investment System Process

As required by the "Jobs for Veterans Act" (PL107- 288), priority of service to veterans is provided within the context of existing policies, operational management, and related work processes.

Worker Profiling and Reemployment Service Program

The veterans' priority requirement is reflected in the way state unemployment insurance claimants are referred to services. It does not impose a change in claimants profiling models. Claimants with the highest probabilities of exhaustion, including veterans, will be referred to services first. This means that non-veterans with a higher probability of exhaustion will be referred before 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 the state has information on veteran status at the time they do their referrals, they can use it to resolve ties produced by their statistical model, by giving priority to veterans over non-veterans with identical probability of exhaustion.

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 be eligible under the Workforce Investment Act, nor does it change local area ability to budget funds among core, intensive, training and supportive services. 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

As required, individual's veteran status is registered in the clientele information system.

Self-Service Tools

Any information or service delivery web site developed with funds from an impacted program or grant is be expected to provide information on veterans' priority, and how to access assistance via the nearest One-Stop Center on receiving priority service from any applicable program or grant. Self-service tool instructions on accessing veterans' priority assistance go beyond mention of, or referral to, Local Veteran Employment Representatives and Disabled Veterans Outreach Programs.

F. Service Delivery for Targeted Populations

Service to Specific Populations

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, migrants and seasonal farm workers, 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 proficiency, and people with disabilities). (§112(b)(17)(A)(iv).)

The Workforce Investment System and One-Stop Career Centers (OSCC) are designed to meet the needs of all types of jobseekers. Within the system, Local Workforce Investment Boards respond those with different types of needs and individuals with multiple barriers to employment.

Each Center has the physical or technological presence of required and otherpartners that carry out workforce development tasks through the provision of core services applicable to their particular program. A required partner would be responsible for providing needed assessment that includes additional elements specifically tailored to participants under a partner's program. This is done in order to avoid duplication of services. It is important to enhance effective collaboration from all partners in order to provide a seamless system of service delivery.

According to Section 662.260 of the WIA regulations, One -Stop partners must use the one-stop system to provide access to the partners' other activities and programs. This is described in the Memorandum of Understanding (*MOU*) between the One Stop Center and required partners. The Workforce System strategies are geared to ensure access to our clients for needed training and employment services, to assist the individual to identify the service and program that will meet specific needs, and to arrange to provide such services.

In the case of dislocated workers, migrant and seasonal farm workers and veterans, the Department of Labor is the government agency administrating Wagner-Peyser, Migrant Programs, the Veteran Workforce Program and UI, that would provide valuable training services for them. These 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 a Memorandum of Understanding (*MOU*) in order to assure those specific services needed by the clientele. In addition, the State Dislocated Workers and Employer Unit will be providing core and reemployment services to workers affected by plant closings and massive layoffs. Training opportunities under WIA and Trade Adjustment Act are sent to them and referrals are made to the appropriate one stop center 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 the job search process.

The Puerto Rico's Vocational Rehabilitation Administration (VRA) has been an exemplary partner within the Workforce Investment System, and has developed exceptional MOU's with local area regarding the carrying out of programs or activities planned to people with disabilities. The VRA ensures that their population has access to a variety of services available in the one stop system.

Public assistance recipients, women, individuals training for non-traditional employment, and individuals with multiple barriers to employment, such as older individuals, are provided core, intensive and training services through the One-Stop System. Local Areas are encouraged to make available a broad spectrum of services meet the needs of these

target groups. Also, the HRODC will continue using the Governor's Reserve Funds for allowable statewide employment and training activities, to sponsor needed innovative programs for women, people with disabilities, and older individuals so as to place them in unsubsidized employment. Support services and needs related payments are also available for these target groups.

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 nondiscrimination and equal opportunity provisions. A grievance procedure in compliance with Section 667.600 is required from each local area and service provider. It has to be described in the local work plan, and an equal employment opportunity and grievance officer is required to as 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 plans, as part of the regular monitoring processes of the Local Areas.

In addition to the above, the HRODC implemented the Disability Program Navigators (DPN) Project with grant from the Employment and Training Administration. At the state level the Project is ascribed to the Planning and Evaluation Office, and each of the 15 Local Areas, has a Navigator. They work in each of the One Stops in close coordination with the Case Managers. Also, the HRODC has been authorized by the Social Security Administration to be the WIA State Level Employment Network of the Tickets-to-Work Program. This program is being developed in conjunction with the Navigator Project. The HRODC and Local Areas are very committed to the continuation of the Navigator Project as part of regular WIA activities. The application for DPN funds for PY 2009 was submitted to ETA National Grant Office. The implementation of both these initiatives has increased the knowledge, and enhanced the awareness and commitment to better serve people with disabilities at all levels.

III. Operations

A. Transparency and Public Comment

Instruction from Section II of State Planning Guidance Plan Development Process: Include a description of the process the state used to make the Plan available to the public and the outcome of the state's review of the resulting public comments. (§§111(g) and 112(b)(9).)

The Recovery Act places a high priority on transparency. The state should describe:

- State efforts to promote transparency.
- The process used to make the Plan modification available to the public and the outcome of the state's review of resulting public comments.

Various meetings and the distribution of copies of the Plan Modification drafts has been part of the process to develop the new Modification, in order to gather comments from the Workforce Investment System sectors, including:

- Department of Labor and Human Resources staff
- State Workforce Investment Board
- Human Resources and Occupational Development Council staff
- Mayors' Boards and Local Boards Presidents
- Local Areas Executive Directors

A public service announcement was made regarding this Modification at the Department of Labor, the HRODC and the 15 Local Areas (Attachment 7). The Modification is posted on the HRODC web page, www.cdorh.org.

B. Increasing Services for Universal Access

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

Besides various administrative memoranda to Local Areas, about different issues regarding the delivery of services, the implementation of both the Disability Program Navigators (DPN) Project, and the WIA State Employment Network of the Ticket-to-Work Program, at

the state level in the HRODC, in conjunction with the Local Areas, is an example of state policies to promote universal access and statewide consistency of services.

C. Local Planning Process

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. **Oversight of the local planning process that is provided, including receipt and review of plans and negotiation of performance agreements.**

   Local plans are revised in compliance 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 no later than 90 days from its submittal. However, this approval time might be extended if the Plan does not meet the specifications of WIA Title I, or of the Local Areas have not adequately implemented specified corrective measures to previously identified deficiencies found in audit reviews, as per section 184 of WIA. A letter is sent to the Local Areas requesting additional information before Plan approval.

   The HRODC Developed a Planning Guide for Local Area use, based on the Planning Guidance for the Submission of the Strategic Five-Year State Plan and TEGL 14-08, March 18, 2009.

2. **Local plan consistency with State performance goals and State strategic direction**

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

   If the plan cannot be approved as presented, the state will forward a report to the local area stating the reasons for non compliance, with instructions that indicate the necessary additional information or actions needed for its approval.

The plan's revision insures compliance with all of the required elements stated in the Law and federal regulations in order to satisfy the needs of customers and employers.

The information requested in the Plan includes:

- Analysis of population characteristics
- Present employment opportunities
- Short term projections by occupation and industry
- Job opportunities oriented toward 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 makes sure that they satisfy the employment needs of the local employers and 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 WIA Local Board will coordinate the local rapid response activities with state activities.
- Description and evaluation of the type and availability of youth activities in the local area, including:
    - Identification of successful service providers for youth activities.

- A description of the administrative process followed by the Local Board in order to receive public comments and opinions, including business representatives and labor organizations before presenting the plan.

- Identification of the fiscal agent or responsible entity for disbursement of funds.

- The local area must describe the competitive process to assign the allocated funds and contracts for the activities conducted under Title I of WIA, including:

  - Process for obtaining training services other than ITA's

  - If funds are 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 labor 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. The Local Area must present evidence that sustains 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 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, assuring proposed activities are economically viable.

3. Plan Modifications

- The Local Areas can amend their plan based on a Modification Schedule included in the Planning Guide. Local Areas or sub-grantees may present modifications when one or more of these conditions are present:
  - Changes that represent more than 25% of the approved budget
  - Additional funding allotments
  - Request for authorization to buy equipment that affects the approved budget
  - Re-programming of funds
  - Transfer funds between programs

4. Regional Planning

Currently, there are six regional economic initiatives where local areas are active partners. For more information about regional planning areas in Puerto Rico, refer to Section II of this Plan.

D. PROCUREMENT

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 that 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 used is: bidding quotation for small purchases (less than $25,000), formal auctions and requests for proposals through public notices. To determine who would be awarded a contract, public bids and/or proposals are evaluated by a committee, giving special consideration to the cost per service, the quality of

personnel providing the service, and any previous experience the proponent may have regarding the services requested.

E. Technical Assistance

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

The HRODC offers continuous technical assistance to all fifteen (15) local areas administrative and operational centers of the OSCC. Currently, the HRODC is undergoing organizational restructuring. At the moment, although no specific unit is in charge of technical assistance, the main operational and administrative units provide technical assistance based on their specific functions, such as planning, financial and monitoring among others.

Technical Assistance under ARRA

Although services available for youths, adults and dislocated workers in ARRA are similar to those offered with formula funds under three programs, there are some differences in ARRA operations for which the HRODC is providing Technical Assistance. The areas for technical assistance include but my not be limited to:

- Creation and maintenance of the **Listing Recovery of Act Jobs on State Job Banks**. ETA requires that the state generate a list of jobs created by ARRA, with the O*NET code, the Type of Industry where the job was created with its NAICS Code, and as the information on wages.
- **Financial Information and Expenditure Reports**
- **Programmatic Information and Performance** – The HRODC has made emphasis to the Local Areas and sub-grantees about the importance of gathering quality data, rationalized data, and programmatic results. The Local Areas will use USDOL Guidelines on TEGLs issued by ETA for these purposes.
- **Evaluation and Follow-up of Youth Program** - The ARRA youth program offers a great flexibility of the design in activities, when compared to the regular formula WIA

program. For such reason, technical assistance has been offered to each of the Local Areas on:

- Assessment to determine the needs of young people
- Objective Evaluation Form – Assistance to encourage Locals Areas so that this form has all the required and necessary information for good, planned activities
- Individual Service Strategy (ISS) – If Is essential that the youth develops appropriate vocational goals for his age, develop his capabilities and obtain and retain a job
- Instruments of the Occupational Counselor
- Objective Assessment - the activities must be appropriate for the youth's age
- Use of Community and Base Organizations
- Priority of Activities in "Green Work Experiences"
- Work Readiness Indicator

F. Monitoring and Oversight

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).)

STATE MONITORING FOR 2009-2010

The HRODC has a Monitoring System in place in order to assure that monitoring is performed annually, at each local area. A Monitoring Plan will be implemented for fiscal year 2009-2010. Through the following on-site reviews and monitoring activities the HRODC will accomplish Workforce Investment Act monitoring requirements, and those specified in the American Recovery and Reinvestment Act:

The following Monitoring activities will be performed:

1. Monitoring of the One Stop System at each Local Area to ensure that:

a. The One Stop Workforce System serves a dual customer (worker and employer)

b. Policies are in place to achieve program quality and outcomes as required by applicable laws and regulations

c. The provision of services by One-Stop Partners

d. Composition and responsibilities of Local Boards

e. Eligible providers of training services; and eligible providers of youth activities

2. Administrative and Financial Monitoring to evaluate compliance with applicable Uniform Administrative Requirements, including the appropriate administrative requirements for sub recipients and applicable cost principles in the Procurement System, Financial Management, and Property Management guides or procedures.

3. Follow-up to corrective action plans implemented by Local Areas

   When a preliminary report is issued, a corrective action plan is required for all findings. Corrective actions are verified through on site visits, and a final report on whether issues or findings were corrected will be issued within 30 days.

Specific monitoring guides and instruments will be used to perform the reviews of activities subsidized with ARRA funds, emphasizing on reemployment services and summer employment, including summer employment worksites, procurement, financial management (expenditure levels/plan versus performance) and the delivery of services at One Stop Centers.

The WIA State Board is planning a "limited monitoring plan" in addition to the aforementioned monitoring activities. The Board's monitoring will be based on a spot check of operational, procedural and financial/fiscal activities at the 15 one stop centers and the CDORH central Executive Office.

G. Accountability and Performance

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 quality in 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.

The HRODC issues a performance analysis to each local area on a monthly basis. The report is a graphical analysis with 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. In addition to the report, the HRODC periodically visits all 15 local areas in order to design strategies for improvement. This approach was very successful, among other methods, for continuous improvement during previous years.

To assure the prompt gathering of clientele information, new directives will be established for One Stop Centers to have Case Managers start using the Information System at the beginning of the application process.

In the following page is the table of the negotiated Performance Measures for Program Year 2008. We will use the same indicator levels used for Program Year 2009.

Performance Measures	
Adults	**Performance Standard**
Entered Employment Rate	**84%**
Retention Rate	**90%**
Average Earnings	**$6,200**
Credential Rate	**72%**
Dislocated Workers	
Entered Employment Rate	**86%**
Retention Rate	**91%**
Average Earnings	**$7,000**
Credential Rate	**74%**
Older Youth	
Entered Employment Rate	**69%**
Retention Rate	**88%**
Earnings Change	**$3,300**
Credential Rate	**72%**
Younger Youth	
Skill Attainment Rate	**98%**
Youth diploma or equivalent rate	**72%**
Retention Rate	**80%**
Customer satisfaction	
Participant customer satisfaction	**86%**
Employer Customer Satisfaction	**80%**

H. Waivers

Attachment 6 contains the April 6, 2009 letter of the Secretary of Labor and Human Resources of Puerto Rico, requesting the time extension of the Strategic State Plan for Title I of WIA for 2009-2010. The letter also includes the request of extension of the seven (7) current waivers approved for Puerto Rico and the request of approval of two (2) new waivers.

IV. ATTACHMENTS

ATTACHMENT 1

Employment Demand Forecast by Occupation Since 2002-2010 Most Demand 25 Main Occupations (employed people)

Employment Demand Forecast by Occupation Since 2002-2010
Most Demand 25 Main Occupations (employed people)

Source: Estudios Técnicos Inc.

SOC Code	Occupational Titles	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
41-2031	Retail Salespersons	43,035	45,087	46,253	48,013	49,729	51,493	53,066	54,722	56,379	49,753
43-9061	Office Clerks, General	42,681	44,077	46,220	46,419	48,341	49,709	51,054	52,429	53,805	48,304
33-9032	Security Guards	33,167	34,285	35,755	37,557	38,853	40,189	41,696	43,142	44,588	38,804
43-6014	Secretaries, Except Legal, Medical, and Executive	31,475	32,574	34,016	34,655	36,056	37,101	38,234	39,355	40,475	35,993
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	31,211	32,066	33,557	33,877	35,087	36,109	37,038	38,006	38,974	35,103
41-2011	Cashiers	24,516	25,644	26,344	27,316	28,288	29,279	30,170	31,105	32,039	28,300
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	24,355	25,447	26,112	27,387	28,324	29,100	30,151	31,111	32,072	28,229
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	24,218	25,373	26,029	27,019	27,985	28,978	29,863	30,795	31,727	27,999
37-3011	Landscaping and Groundskeeping Workers	24,753	28,141	25,726	25,649	27,158	26,643	26,987	27,171	27,354	26,620
43-5081	Stock Clerks and Order Fillers	20,013	20,873	21,497	22,118	22,903	23,623	24,314	25,021	25,729	22,899
47-2061	Construction Laborers	18,636	18,826	20,487	20,694	23,156	23,994	24,964	26,107	27,249	22,679
29-1111	Registered Nurses	18,182	18,739	19,707	20,153	20,930	21,621	22,310	23,002	23,694	20,926
43-9022	Word Processors and Typists	17,327	17,802	18,946	18,529	19,390	19,972	20,418	20,920	21,422	19,414
51-2092	Team Assemblers	17,545	18,111	17,651	18,425	18,130	17,614	18,030	18,064	18,097	17,963
53-3032	Truck Drivers, Heavy and Tractor-Trailer	16,553	16,692	17,573	17,899	18,519	19,111	19,584	20,116	20,647	18,522

SOC Code	Occupational Titles	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
51-6031	Sewing Machine Operators	17,350	17,910	17,455	18,221	17,929	17,419	17,831	17,864	17,898	17,764
43-6011	Executive Secretaries and Administrative Assistants	14,566	15,023	15,742	15,833	16,472	16,918	17,379	17,842	18,304	16,453
43-9199	Office and Administrative Support Workers, All Other	14,597	14,966	15,915	15,638	16,339	16,840	17,222	17,652	18,082	16,361
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	14,398	15,017	15,518	15,847	16,483	16,881	17,405	17,895	18,384	16,425
13-2011	Accountants and Auditors	14,153	14,670	15,266	15,489	16,093	16,502	16,986	17,450	17,914	16,058
41-1011	First-Line Supervisors/Managers of Retail Sales Workers	13,312	13,938	14,309	14,867	15,397	15,943	16,437	16,954	17,470	15,403
43-3031	Bookkeeping, Accounting, and Auditing Clerks	13,094	13,552	14,091	14,318	14,877	15,263	15,704	16,134	16,564	14,844
25-2031	Secondary School Teachers, Except Special and Vocational Education	11,733	12,123	12,637	13,367	13,810	14,301	14,858	15,391	15,923	13,794
13-1199	Business Operations Specialists, All Other	11,970	12,334	12,953	12,849	13,348	13,667	13,996	14,322	14,649	13,343
29-2061	Licensed Practical and Licensed Vocational Nurses	10,367	10,684	11,241	11,488	11,935	12,331	12,723	13,118	13,513	11,933

ATTACHMENT 2

Main Occupations
By Each Economic Sector

Agricultural Employment Demand Forecast Since 2002-2010
Employed People

SOC Code	Occupational Title	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
37-3011	Landscaping and Grounds keeping Workers Caretakers	10,016	12,879	9,666	9,662	10,458	9,473	9,076	8,913	8,597	9,860
31-9096	Veterinary Assistants and Laboratory Animal	3,776	4,856	3,644	3,643	3,943	3,572	3,422	3,361	3,242	3,718
45-2092	Farm workers and Laborers, Crop, Nursery, and Greenhouse	2,463	3,167	2,377	2,376	2,572	2,329	2,232	2,191	2,114	2,425
39-2021	Nonfram Animal Caretakers	1,478	1,900	1,426	1,426	1,543	1,398	1,339	1,315	1,269	1,455
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	1,189	1,168	1,126	1,293
29-1131	Veterinarians	657	845	634	634	686	621	595	584	564	647
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	328	422	317	317	343	311	298	293	283	324
51-3099	Food Processor Workers All others	2,955	3,800	2,852	2,851	3,086	2,795	2,678	2,630	2,537	2,909

Manufacturing Employment Demand Forecast Since 2002-2010

Employed People

SOC Code	Occupational Title	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
51-2092	Team Assemblers	17,545	18,111	17,651	18,425	18,130	17,614	18,030	17,913	17,921	17,927
51-6031	Sewing Machine Operators	17,350	17,910	17,455	18,221	17,929	17,419	17,830	17,714	17,723	17,728
51-2022	Electrical and Electronic Equipment Assemblers	8,493	8,767	8,545	8,919	8,777	8,527	8,728	8,671	8,676	8,678
51-9061	Inspectors, Testers, Sorters, Samplers, and Weighers	6,052	6,247	6,088	6,355	6,254	6,076	6,219	6,179	6,182	6,183
51-1011	First-Line Supervisors/Managers of Production and Operating Workers	6,039	6,234	6,075	6,342	6,240	6,063	6,206	6,165	6,168	6,170
51-9199	Production Workers, All Other	5,688	5,872	5,723	5,974	5,878	5,711	5,846	5,808	5,811	5,812
51-9111	Packaging and Filling Machine Operators and Tenders	5,662	5,845	5,697	5,946	5,851	5,685	5,819	5,781	5,784	5,786
51-6042	Shoe Machine Operators and Tenders	4,909	5,067	4,939	5,155	5,073	4,928	5,045	5,012	5,014	5,016
53-7064	Packers and Packagers, Hand	3,324	3,432	3,345	3,491	3,436	3,338	3,417	3,394	3,396	3,397
51-4081	Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	2,195	2,266	2,208	2,305	2,268	2,203	2,256	2,241	2,242	2,243

Services Providing Employment
Demand Forecast Since 2002-2010
Employed People

SOC CODE	Occupational Title	2,002	2,003	2,004	2,005	2,006	2,007	2,008	2,009	2,010	Average
43-9061	Office Clerks, General	42,681	44,077	46,220	46,419	48,341	49,709	51,054	52,429	53,805	42,326
33-9032	Security Guards	33,167	34,285	35,755	37,557	38,853	40,189	41,696	43,142	44,652	36,634
43-6014	Secretaries, Except Legal, Medical, and Executive	31,475	32,574	34,016	34,655	36,056	37,101	38,234	39,355	40,511	34,313
37-2011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	24,355	25,447	26,112	27,387	28,324	29,100	30,151	31,111	32,086	26,788
29-1111	Registered Nurses	18,182	18,739	19,707	20,153	20,930	21,621	22,310	23,002	23,691	19,889
25-2031	Secondary School Teachers, Except Special and Vocational Education	11,733	12,123	12,637	13,367	13,810	14,301	14,858	15,391	15,913	12,995
29-2061	Licensed Practical and Licensed Vocational Nurses	10,367	10,684	11,241	11,488	11,935	12,331	12,723	13,118	13,499	11,341
25-1199	Postsecondary Teachers, All Other	6,017	6,218	6,481	6,855	7,083	7,334	7,620	7,893	8,152	6,665
25-3999	Other Elementary, Secundary and Vocational Teachers	5,611	5,798	6,043	6,392	6,604	6,839	7,105	7,360	7,602	6,215
25-2022	Middle School Teachers, Except Special and Vocational Education	5,270	5,445	5,676	6,004	6,203	6,424	6,674	6,913	7,141	5,837

Wholesale and Retail (Commerce)
Employment Demand Forecast Since 2002-2010
Employed People

SOC CODE	Occupational Title	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
41-2031	Retail Salespersons	43,035	45,087	46,253	48,013	49,729	51,493	54,722	55,669	57,503	50,167
35-3021	Combined Food Preparation and Serving Workers, Including Fast Food	24,218	25,373	26,029	27,019	27,985	28,978	30,795	31,328	32,360	28,232
41-2011	Cashiers	24,516	25,644	26,344	27,316	28,288	29,279	31,105	31,639	32,674	28,534
43-5081	Stock Clerks and Order Fillers	20,013	20,873	21,497	22,118	22,903	23,623	25,021	25,426	26,209	23,076
41-1011	First-Line Supervisors/Managers of Retail Sales Workers	13,312	13,938	14,309	14,867	15,397	15,943	16,954	17,249	17,821	15,532
53-3031	Driver/Sales Workers	7,515	7,873	8,077	8,384	8,684	8,992	9,556	9,721	10,042	8,760
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	31,211	32,066	33,557	33,877	35,087	36,109	38,006	38,559	39,631	35,345
35-2011	Cooks, Fast Food	7,344	7,694	7,893	8,193	8,486	8,787	9,338	9,499	9,812	8,561
41-4012	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	5,902	6,183	6,343	6,584	6,820	7,062	7,505	7,635	7,886	6,880
53-7064	Packers and Packagers, Hand	4,704	4,929	5,056	5,248	5,436	5,629	5,982	6,085	6,286	5,484
35-1012	First-Line Supervisors/Managers of Food Preparation and Serving Workers	4,460	4,673	4,793	4,976	5,154	5,336	5,671	5,769	5,959	5,199

Construction Employment Demand
Forecast Since 2002-2010
Employed People

SOC CODE	Occupational Title	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
47-2061	Construction Laborers	18,636	18,826	20,487	20,694	23,156	23,994	24,964	26,107	27,249	22,679
47-2031	Carpenters	5,761	5,820	6,334	6,746	7,159	7,418	7,811	8,174	8,538	7,085
47-1011	First-Line Supervisors/Managers of Construction Trades and Extraction Workers	3,765	3,803	4,139	4,408	4,678	4,847	5,104	5,341	5,578	4,629
47-3013	Helpers--Electricians	2,673	2,700	2,938	3,130	3,321	3,441	3,623	3,792	3,960	3,286
47-2051	Cement Masons and Concrete Finishers	2,465	2,490	2,709	2,886	3,062	3,173	3,341	3,496	3,651	3,030
47-3012	Helpers--Carpenters	2,361	2,385	2,595	2,764	2,933	3,039	3,200	3,348	3,497	2,902
47-2171	Reinforcing Iron and Rebar Workers	1,955	1,975	2,149	2,289	2,429	2,517	2,650	2,773	2,897	2,404
47-2111	Electricians	1,799	1,818	1,978	2,107	2,235	2,316	2,439	2,552	2,665	2,212
47-3015	Helpers--Pipelayers, Plumbers, Pipefitters, and Steamfitters	1,674	1,691	1,841	1,961	2,080	2,156	2,270	2,376	2,481	2,059
47-2152	Plumbers, Pipefitters, and Steamfitters	1,570	1,586	1,726	1,839	1,951	2,022	2,129	2,228	2,327	1,931
47-2141	Painters, Construction and Maintenance	1,331	1,345	1,463	1,559	1,654	1,714	1,805	1,889	1,973	1,637

Finance Employment Demand
Forecast Since 2002-2010
Employed People

SOC CODE	Occupational Title	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
43-3071	Tellers	7,589	8,168	8,215	8,454	8,846	8,962	9,286	9,547	9,808	8,764
43-1011	First-Line Supervisors/Managers of Office and Administrative Support Workers	5,172	5,567	5,599	5,762	6,028	6,108	6,329	6,506	6,684	5,973
43-9061	Office Clerks, General	4,834	5,203	5,233	5,385	5,634	5,709	5,915	6,081	6,248	5,582
37-2011	Secretaries, Except Legal, Medical, and Executive	3,887	4,184	4,208	4,331	4,531	4,591	4,757	4,891	5,025	4,489
43-6014	Secretaries, Except Legal, Medical, and Executive	3,702	3,984	4,007	4,124	4,314	4,371	4,529	4,656	4,783	4,274
41-3021	Insurance Sales Agents	2,383	2,565	2,580	2,655	2,778	2,814	2,916	2,998	3,080	2,752
43-4051	Customer Service Representatives	2,383	2,565	2,580	2,655	2,778	2,814	2,916	2,998	3,080	2,752
37-3011	Landscaping and Groundskeeping Workers	2,265	2,438	2,452	2,523	2,640	2,675	2,772	2,849	2,927	2,616
43-3031	Bookkeeping, Accounting, and Auditing Clerks	2,248	2,420	2,433	2,504	2,620	2,655	2,751	2,828	2,905	2,596
11-3031	Financial Managers	2,062	2,219	2,232	2,297	2,403	2,435	2,523	2,594	2,665	2,381
13-2011	Accountants and Auditors	1,961	2,110	2,122	2,184	2,285	2,315	2,399	2,466	2,533	2,264

Transportation and Communication Employment Demand
Forecast Since 2002-2010
Employed People

SOC CODE	Ocupational Title	2002	2003	2004	2005	2006	2007	2008	2009	2010	Average
53-3032	Truck Drivers, Heavy and Tractor-Trailer	4,284	4,051	4,286	4,607	4,607	4,811	4,903	5,036	5,168	4,639
49-2022	Telecommunications Equipment Installers and Repairers, Except Line Installers	3,722	3,520	3,725	4,004	4,004	4,181	4,262	4,377	4,492	4,032
49-9052	Telecommunications Line Installers and Repairers	2,282	2,158	2,284	2,455	2,455	2,563	2,613	2,683	2,754	2,472
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	2,282	2,158	2,284	2,455	2,455	2,563	2,613	2,683	2,754	2,472
43-4051	Customer Service Representatives	1,889	1,787	1,890	2,032	2,032	2,122	2,163	2,221	2,280	2,046
43-9061	Office Clerks, General	1,384	1,309	1,385	1,489	1,489	1,555	1,585	1,628	1,671	1,499
43-4181	Reservation and Transportation Ticket Agents and Travel Clerks	1,347	1,274	1,348	1,449	1,449	1,513	1,542	1,584	1,625	1,459
41-3041	Travel Agents	1,291	1,221	1,221	1,388	1,388	1,450	1,473	1,515	1,556	1,389
49-1011	First-Line Supervisors/Managers of Mechanics, Installers, and Repairers	730	690	730	785	785	819	835	857	880	790
53-7051	Industrial Truck and Tractor Operators	973	920	973	1,046	1,046	1,093	1,114	1,144	1,174	1,054

ATTACHMENT 3

Puerto Rico 25 Main Occupation and Critical Occupations (employed people) ONET systems SOC Code Knowledge Summary Report

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			√								√								√	√												

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
29-1111	Registered Nurses		√						√		√		√						√	√		√					√			√		√	
43-9022	Word Processors and Typists					√		√	√				√																				
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										√		√							√												√	

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
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					√			√													√											

ATTACHMENT 4

Puerto Rico 25 Main Occupation and Critical Occupations (employed people)
ONET systems SOC Code
Skills Summary Report

Puerto Rico 25 Main Occupation and Critical Occupations (employed people)
ONET System SOC Code
Skills Summary Report

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
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																							√													

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
43-5081	Stock Clerks and Order Fillers	√	√		√	√		√		√						√	√				√	√														
47-2061	Construction Laborers																							√												
29-1111	Registered Nurses	√		√			√	√		√	√					√		√			√	√														
43-9022	Word Processors and Typists			√	√	√		√		√	√					√	√									√										
51-2092	Team Assemblers																																			
53-3032.01	Truck Drivers, Heavy																										√									
51-6031	Sewing Machine Operators						√																√	√			√	√								
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	√	√	√			√	√						√		√		√			√					√										

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
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	√	√	√			√	√		√	√					√					√					√										
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					√		√	√		√				√								√				√	√			√					√

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
19-1021.01	Biochemists	√		√		√	√	√	√		√	√												√							√				
29-2012.00	Medical and Clinical Laboratory Technicians		√				√	√	√	√	√					√		√					√			√									

ATTACHMENT 5

Puerto Rico 25 Main Occupation and Critical Occupations (employed people)
ONET systems SOC Code
Abilities Summary Report

Puerto Rico 25 Main Occupation and Critical Occupations (employed people)
ONET System SOC Code
Abilities Summary Report

SOC Code	Occupational Titles	Cognitive Abilities																					*Physical Abilities*								*Psychomotor Abilities*										Sensory Abilities									
		Category Flexibility	Deductive Reasoning	Flexibility of Closure	Fluency of Ideas	Inductive Reasoning	Information Ordering	Mathematical Reasoning	Memorization	Number Facility	Oral Comprehension	Oral Expression	Originality	Perceptual Speed	Problem Sensibility	Selective Attention	Spatial Orientation	Speed of Closure	Time Sharing	Visualization	Written Comprehension	Written Expression	Dynamic Flexibility	Dynamic Strength	Explosive Strength	Extent Flexibility	Gross Body Equilibrium	Stamina	Static Strength	Trunk Strength	Arm-Hand Steadiness	Auditory Attention	Control Precision	Depth Perception	Far Vision	Finger Dexterity	Glare Sensitivity	manual Dexterity	Multilimb Coordination	Near Vision	Night Vision	Peripheral Vision	Rate Control	Reaction Time	Response Orientation	Speech Clarity	Speech Recognition	Speed of Limb Movement	Visual Color Discrimination	Wrist-Finger Speed
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	√																					√	√		√		√	√	√								√									√		

SOC Code	Occupational Titles	Cognitive Abilities																					*Physical Abilities*								*Psychomotor Abilities*										Sensory Abilities									
		Category Flexibility	Deductive Reasoning	Flexibility of Closure	Fluency of Ideas	Inductive Reasoning	Information Ordering	Mathematical Reasoning	Memorization	Number Facility	Oral Comprehension	Oral Expression	Originality	Perceptual Speed	Problem Sensibility	Selective Attention	Spatial Orientation	Speed of Closure	Time Sharing	Visualization	Written Comprehension	Written Expression	Dynamic Flexibility	Dynamic Strength	Explosive Strength	Extent Flexibility	Gross Body Equilibrium	Stamina	Static Strength	Trunk Strength	Arm-Hand Steadiness	Auditory Attention	Control Precision	Depth Perception	Far Vision	Finger Dexterity	Glare Sensitivity	manual Dexterity	Multilimb Coordination	Near Vision	Night Vision	Peripheral Vision	Rate Control	Reaction Time	Response Orientation	Speech Clarity	Speech Recognition	Speed of Limb Movement	Visual Color Discrimination	Wrist-Finger Speed
43-5081	Stock Clerks and Order Fillers		√				√				√	√			√														√	√															√	√			
47-2061	Construction Laborers																								√			√	√	√								√	√									√		
29-1111	Registered Nurses		√			√					√	√			√						√	√																	√						√	√			
43-9022	Word Processors and Typists	√					√				√	√		√							√	√																	√						√	√			
51-2092	Team Assemblers																																																	
53-3032.01	Truck Drivers, Heavy										√						√								√	√			√	√					√				√				√	√					
51-6031	Sewing Machine Operators						√													√											√		√			√		√		√										√
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		√			√	√	√				√			√							√																	√						√				

SOC Code	Occupational Titles	Cognitive Abilities																					*Physical Abilities*								*Psychomotor Abilities*										Sensory Abilities									
		Category Flexibility	Deductive Reasoning	Flexibility of Closure	Fluency of Ideas	Inductive Reasoning	Information Ordering	Mathematical Reasoning	Memorization	Number Facility	Oral Comprehension	Oral Expression	Originality	Perceptual Speed	Problem Sensibility	Selective Attention	Spatial Orientation	Speed of Closure	Time Sharing	Visualization	Written Comprehension	Written Expression	Dynamic Flexibility	Dynamic Strength	Explosive Strength	Extent Flexibility	Gross Body Equilibrium	Stamina	Static Strength	Trunk Strength	Arm-Hand Steadiness	Auditory Attention	Control Precision	Depth Perception	Far Vision	Finger Dexterity	Glare Sensitivity	manual Dexterity	Multilimb Coordination	Near Vision	Night Vision	Peripheral Vision	Rate Control	Reaction Time	Response Orientation	Speech Clarity	Speech Recognition	Speed of Limb Movement	Visual Color Discrimination	Wrist-Finger Speed
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		√			√	√				√	√			√							√																	√						√	√			
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						√				√	√									√																								√				

SOC Code	Occupational Titles	Cognitive Abilities																					*Physical Abilities*								*Psychomotor Abilities*										Sensory Abilities									
		Category Flexibility	Deductive Reasoning	Flexibility of Closure	Fluency of Ideas	Inductive Reasoning	Information Ordering	Mathematical Reasoning	Memorization	Number Facility	Oral Comprehension	Oral Expression	Originality	Perceptual Speed	Problem Sensibility	Selective Attention	Spatial Orientation	Speed of Closure	Time Sharing	Visualization	Written Comprehension	Written Expression	Dynamic Flexibility	Dynamic Strength	Explosive Strength	Extent Flexibility	Gross Body Equilibrium	Stamina	Static Strength	Trunk Strength	Arm-Hand Steadiness	Auditory Attention	Control Precision	Depth Perception	Far Vision	Finger Dexterity	Glare Sensitivity	manual Dexterity	Multilimb Coordination	Near Vision	Night Vision	Peripheral Vision	Rate Control	Reaction Time	Response Orientation	Speech Clarity	Speech Recognition	Speed of Limb Movement	Visual Color Discrimination	Wrist-Finger Speed
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		√			√	√				√	√			√						√										√									√									√	

ATTACHMENT 6

Request for Extension of Approved Waivers and Approval of New Waivers Under the Workforce Investment Act

COMMONWEALTH OF PUERTO RICO
DEPARTAMENT OF LABOR AND HUMAN RESOURCES

Hon. Miguel Romero
Secretary

April 6, 2009

Ms. Janet Sten
Federal Coordinator for Plan Review and Approval
Division of Workforce System Support
Employment and Training Administration
U. S. Department of labor
200 Constitution Ave. NW, Room S-4231
Washington D.C. 20210

Request for time extension

Dear Ms. Sten:

The Commonwealth of Puerto Rico's Strategic Plan for Title I of the Workforce Investment Act (WIA) will expire on June 30, 2009.

According to Training and Employment Guidance Letter (TEGL) No. 14-08 dated March 18, 2009, the Puerto Rico Department of Labor and Human Resources is herein requesting a time extension for the last approved State Strategic Plan of 2005. This extention with allow Puerto Rico to continue offering WIA and Wagner-Peyser servicing and initiatives and add the tasks and measures to begin implementing the initiatives presented in the American Recovery and Reinvestment Act of 2009.

We are also interested in continuing to use the currently effective and negotiated Performance Measures for the remaining of this Program Year of 2009.

Also as per TEGL No. 14-08, Puerto Rico requests a time extension for the following previously approved waivers, so that they may also remain in effect concurrently with the time extension you may concede. These are the following:

1. Prohibition on the use of Individual Training Accounts for Youth (with regular WIA program funds only).
2. Use of state set-aside Rapid Response funds for the Incumbent Workers Training Program (with regular WIA program funds only).

Prudencio Rivera Martínez Building 505 Muñoz Rivera Avenue San Juan, Puerto Rico 00918
Telephone Numbers: (787) 754-2119, (787) 754-2120 ó (787) 754-2122
Fax Number: (787) 753-9550

COMMONWEALTH OF PUERTO RICO
DEPARTMENT OF LABOR AND HUMAN RESOURCES
HUMAN RESOURCES AND OCCUPATIONAL DEVELOPMENT COUNCIL

REQUEST TO THE US DEPARTMENT OF LABOR FOR EXTENSION OF APPROVED WAIVERS AND APPROVAL OF NEW WAIVERS UNDER THE WORKFORCE INVESTMENT ACT FOR THE WORKFORCE INVESTMENT SYSTEM OF PUERTO RICO

April 2009

REQUEST OF EXTENSION OF APPROVED WAIVERS

1. Prohibition on Use of Individual Training Accounts for Youth

The Commonwealth of Puerto Rico received an approval on July 20, 2005 for a waiver of statutory and regulatory requirements under the Workforce investment Act (WIA). The purpose is to waive WIA regulations at 20 CFR 664.510 which implements the WIA Title I provision for individuals age 18 and above, who are eligible for training services under the adult and dislocated worker programs, so they may receive Individual Training Accounts through those programs.

According to the WIASRD data for PY 2007, at least 22 ITAs were granted in the local youth programs. Local Areas sometimes received youth with different economic and social barriers to achieve their academic or employment goals. These youths present the need of youth programs services, like counseling, peer coaching, among others, but also they want to continue postsecondary trainings, graduate and achieve credentials. Through this waiver the Local Areas can combine ITA' s with the ten Youth Elements to help some youth to achieve their personal goals.

The current waiver expires on June 30, 2009, and we hereby request its extension until June 30, 2010.

2. Use of State set-aside Rapid Response funds for the Incumbent Workers Training Program

The Commonwealth of Puerto Rico received an approval in April 2005 for a waiver of statutory and regulatory requirements under the Workforce investment Act (WIA) regulations at 20 CFR 665.320(d) (2), for funds reserved for allowable state activities under WIA Sec. 133 (a) (2), allowing the use of up to 25% of the state set-aside Rapid Response funds from the Governor's Reserve Funds, to be transferred to create a single fund for the Incumbent Workers Training Program in agreement with the rules established under WIA Sec. 128 (a) (2).

In Program Year 2007-08, eleven industries were beneficiated with this waiver, in sectors like textile manufacturing, medical devices, food manufacturing, aerospace industries and labeling, among others. A total of 2,106 incumbent workers, received customized training due the introduction of new technology, new products or new processes.

The current waiver ends on June 30, 2009, and we hereby request its extension until June 30, 2010.

3. Transfer Program Year Allocation between Dislocated Workers and Adult Employment Programs

The Commonwealth of Puerto Rico received an approval on July 20, 2005 for a waiver of statutory and regulatory requirements under the Workforce Investment Act. The approval waived the WIA regulations at 20 CFR 67.140 which implements the WIA Title I provisions relating to the 20% limitation to transfer Program Year Allocation for dislocated workers and adult employment and training programs of WIA section 133 (b)(4).

The waiver approved to transfer funds between Dislocated Workers and Adult Employment Programs is the most flexibility approach used among Puerto Rico Local Areas. In current Program Year 2008-09, seven local areas have been transferring funds between programs. The waiver allows transferring up to 100% of funds from one program to other. The most common funds transfer occurs from Dislocated Workers to the Adult Program. In the current program year, transfers range from 20% to 38% of funds from the Dislocated Workers Program. The outcomes for this waiver are the following:

- Provides greater flexibility to Local Boards in designing and implementing WIA programs.
- Enhances the ability of Local Boards to respond to workforce and economic dynamics within their Local Areas
- Increases local flexibility in the design of Adult and Dislocated Worker service plans
- Increases local control for program delivery

The current waiver expires on June 30, 2009, and we hereby request its extension until June 30, 2010.

4. Youth Program Elements

The Commonwealth of Puerto Rico received an approval on December 4, 2006 for a waiver of statutory and regulatory requirements under the Workforce investment Act (WIA). This was to waive the WIA regulations at 20 CFR 664.405 which requires that the Ten Program Elements for Youth be provided by through a competitive procurement process. Procedures for the aforementioned requirements are set forth in Section 117 (h) (4) (B) (i) of the Act. The waiver was requested in order for WIA funded Local Area staff to directly provide in-house the following three of the ten program elements.

- Supporting Services
- Follow-up Services
- Work Experience

The Puerto Rico WIA system has invested a significant allocation of administrative and operational funds in the training the staff of the Local Areas, in different services areas services as Case Management, Counseling and Orientation, Social Work, among other disciplines, to directly offer in-house youth program delivery of services. In economic terms, in-house services represent a reduction in costs of services versus services providers. With this system, youths have the advantage of receiving greater delivery of services. The service providers have hiring limitations whereas in the local areas the services are always available at any time.

The next table shows the youths registered in SACWIA, which received services in One Stop Centers in the 15 Local Areas in program year 2007-08. In last year, total participation was of 25,253 youths. The total youth participant's categories were of 87% of younger youth and 20% of older youth. Related to their academic status, 80% of participants youth were in-school youth, whereas only 20% were out-school registered in SACWIA.

Youths registered in SACWIA, which received services in One Stop Centers
in the 15 Local Areas PY 2007-08

Youths	Participants					Exiters				
	Total Youth Participants	Younger Youths	Older Youth	Out-of-School Youth	In-School Youth	Total Youth Exiters	Younger Youths	Older Youth	Out-of-School Youth	In-School Youth
TOTAL	***25,253***	***21,826***	***3,427***	***5,291***	***19,962***	***10,106***	***9,170***	***936***	***1,451***	***8,655***
Bayamón/Comerío	1,426	1,323	103	155	1,271	1,086	1,032	54	71	1,015
Caguas/Guayama	1,369	1,181	188	419	950	574	477	97	201	373
Carolina	800	581	219	438	362	89	66	23	36	53
Guaynabo/Toa Baja	1,275	1,161	114	193	1,082	445	428	17	80	365
La Montaña	1,816	1,471	345	526	1,290	871	826	45	73	798
Manatí/Dorado	1,655	1,422	233	467	1,188	467	456	11	22	445
Mayagüez/Las Marías	504	439	65	74	430	294	279	15	22	272
North Central Arecibo	1,718	1,514	204	301	1,417	1,083	1,028	55	66	1,017
Northeast	1,860	1,620	240	385	1,475	975	837	138	213	762
Northwest	3,065	2,751	314	351	2,714	181	174	7	12	169
Ponce	2,227	1,924	303	679	1,548	269	261	8	43	226
San Juan	357	297	60	106	251	436	380	56	64	372
South Central	2,709	2,273	436	377	2,332	1,264	1,156	108	89	1,175
Southeast	1,704	1,452	252	358	1,346	1,287	1,114	173	316	971
Southwest	2,768	2,417	351	462	2,306	785	656	129	143	642

The in-house delivery of youth services in Puerto Rico has show been an effective strategy to serve youth population. We want to extend this waiver to continue to improve the delivery of services in One Stop Centers. The current waiver ends on June 30, 2009, and we hereby request its extension until June 30, 2010.

5. Capitalization of Funds Leveraging for Small Business Development

The Commonwealth of Puerto Rico requested a waiver on the use of funds for the capitalization of business pursuant to WIA section 181(e) to permit WIA funds to be used to capitalize a small business up to $5,000, in accordance with entrepreneurial or micro enterprise training. Also, we are requesting that a waiver be granted so that WIA funds could supplement this training and create more opportunities for assisting with start-up costs for new small businesses.

The concept of the project was developed by the State Workforce Investment Board (SWIB) in order to assist potential entrepreneurs from low income or dislocated workers groups to have accessible resources to start their own small business. The incentive provided by WIA will be used in alliances with local community development corporations, Small Business Administration, Small Business Development Corporation and financial institutions in the Island to leverage financial and in-kind resources for the development of the businesses in direct loans, loan guarantees, purchase of equipment, etc.

This waiver has not even been implanted in the Local Areas. The State Board has taken with caution the development of an effective strategy for the allocation of funds for capitalization for businesses. In the economic recession that is facing the Island, small and the medium enterprises are being the most affected by the rise in the production costs and in utilities. Many small businesses had to close their operations because they were not able to face the economic crisis. The capitalization funds that allow using this waiver are mainly directed for the creation of small and medium businesses or companies.

The State Board wants to develop an effective strategy and to establish public policy, to guarantee that investment of funds will be made in businesses with real possibilities of growth. The Board intends that funds are not to be used as a subsidy for individuals that are facing economic problems, employers that are firing workers or employers that are in closing process.

We ask for the extension of this waiver because it is a useful tool for the development of self employment. It will be offered for those participants that want to contribute to the improvement of our economy, through establishment of small businesses.

The current waiver expires on June 30, 2009, and we hereby request its extension until June 30, 2010.

6. Employer Match for Customized Training to a Sliding Scale

This waiver was submitted requesting to change the required 50 percent employer match for Customized Training at WIA 101(8)(c) to a match base on a sliding scale, ranging from 10 to 50 percent for the employer match. Specifically, the Governor may authorize the Local Workforce Investment Boards (Local Boards) and the Governor's Reserve Fund to establish the require portion of the cost, which shall not be less than 10 percent of the costs for employers with 50 or fewer employees, and 25 percent of the costs for employers greater than 50 through 100 employees, and 50 percent of the costs for employers with more than 100 employees. This waiver was requested and approved for Program Years 2007-2008 and 2008-2009, in compliance with the guidelines set forth at WIA Section 189 (i) (4)(b) and 20 CFR 661.420(c).

The next table shows the customized trainings participants registered in WIASRD in the 15 Local Areas in program year 2007-08. The outcomes from this waiver for Local Areas are the following:

- Increase their flexibility to serve business and industry based in their specific needs.
- Help employees with their job retention and offer them relevant job training with transferable skills like ISO, Lean Manufacturing, among other, that lead to high-skill, high-wage occupations and industries.
- Improve the scope of Local Boards to work with the private sector and respond quickly to changes in their economic regions.
- Increase their flexibility for design and control of training programs.

LOCAL AREAS	CUSTOMIZED TRAININGS PARTICIPANTS
Bayamón/Comerío	1
Caguas/Guayama	4
Carolina	26
Guaynabo/Toa Baja	20
La Montaña	1
Mayagüez/Las Marías	62
North Central Arecibo	27
North Central Manatí/Dorado	29
Northeast	2
Northwest	17
Ponce	93
San Juan	49
South Central	4
Southeast	54
Southwest	61
TOTAL	**450**

The current waiver ends on June 30, 2009, and we hereby request its extension until June 30, 2010.

7. Incumbent Worker Training at the Local Area Level

The Commonwealth of Puerto Rico requests this waiver of the restrictions on the use of Local Workforce Investment Act (WIA) formula funds for Incumbent Worker Training at the Local Workforce Investment Area (Local Area) level. This waiver allows Local Workforce Investment Boards (Local Boards), as per evaluation and reasonable justification, to use up to 10 percent of Local Area formula funds for adults and dislocated workers (WIA Section 133 (b) to provide statewide employment and training activities identified at WIA Section 134 and 20 CFR 667.130, specifically to carry out Incumbent Worker Training programs at the Local Area level.

This waiver has not even been implanted in the Local Areas. However, we ask for the extension of this waiver because it is a useful tool for the improvement of incumbent workers skills and job retention. It will be offered for incumbents workers that need upgrading their skills and knowledge due to the introduction of new technology or new products.

This waiver was approved for Program Years 2007-2008 and 2008-2009. The current waiver expires on June 30, 2009, and we hereby request its extension until June 30, 2010.

REQUEST FOR NEW WAIVERS

1. **Implementation of Common Measures**

Under the proposed waiver, The Commonwealth of Puerto Rico will implement the Common Measures simplifying the WIA performance system by discontinuing use of the current 17 performance measures and reducing the WIA outcome measures to six (9): three (3) applied to Adult programs, three (3) for dislocated Workers and three (3) for Youth.

WIA Common Measures (Reference: Training and Employment Guidance Letter 17-05)

1. Adult Entered Employment Rate
2. Adult Retention Rate
3. Adult Average Earnings
4. Dislocated Workers Entered Employment Rate
5. Dislocated Workers Retention Rate
6. Dislocated Workers Average Earnings
7. Youth Placement in Employment/Education Rate
8. Youth Attain Degree/Credential Rate
9. Youth Numeracy & Literacy Rate

Statutory Provisions to Be Waived:

(WIA Section 136(b) (2) and (c) (1) specifying State and local performance measures.

Comparison of Current and Common Performance Measures:

Following is a table which presents the comparison of the measures currently used and the proposed common measures.

TABLE 1

CURRENT AND COMMON PERFORMANCE MEASURES UNDER WORKFORCE INVESTMENT ACT TITLE IB

PROGRAM	CURRENT PERFORMANCE MEASURE	#	COMMON MEASURES	#
Adults	Entered Employment, Employment Retention, Average Earnings, and Employment with a Credential	4	Entered Employment; Employment Retention; Average Earnings	3
Dislocated Workers	Entered Employment, Employment Retention, Average Earnings, and Employment with a credential	4	Entered Employment; Employment Retention; Average Earnings	3
Older Youth	Entered Employment, Employment Retention, Earnings Change, and Employment with a credential	4	Placement Employment or Education, Attainment of a Degree or Certificate; Literacy and Numeric Gains	3
Younger Youth	Skill Attainment; Attainment of a Diploma or GED; Retention in Employment, post-secondary education, or the military	3		
Across all Programs	Customer Satisfaction (Job Seeker and Employer)	2	None	0
Total Performance Measures		**17**		**9**

Goals to Be Achieved Through the Waiver:

- Facilitates integrated, system-wide performance accountability to ensure successful integration of our workforce development programs as we move toward common goals, and provides a mechanism to begin the process of using the common performance measures across programs.

- Provides cohesion across workforce development programs.

- Reduces paperwork and labor costs associated with data collection and analysis.

- Provides clear and understandable information to Congressional and legislative leaders and the general public concerning the use of public funds and the return on the investment.

- Provides a more useful program management tool.

- Provides an opportunity to better implement the Department of Labor's Youth Vision, which includes increased accountability for employment, and/or increased secondary and post-secondary education outcomes.

- Increases program integration by focusing the system on common goals.
- Improves evaluation of the employment and training system.
- Provides commonality across workforce development programs.
- Provides for better service coordination and information sharing among programs
- Eliminates the need for duplicate data entry to co-enroll participants in Wagner-Peyser and WIA through the use of an automated process.
- Achieves the overarching goal of a fully integrated workforce development system with an unobtrusive data collection process capable of assessing our performance at the system-wide and individual client levels.

The adult and dislocated worker credential rates are sometimes a disincentive to provide training. This is particularly true for OJT and incumbent worker training, where a credential can be difficult to achieve. The elimination of these credentials provides greater flexibility for training activities. States and local areas are still free to create their own "credential" goals and definitions.

The seven current youth measures, particularly the older youth measures, have provided the most serious challenge to states and local areas. For older youth, very often just a few participants can mean the difference between passing and failing a measure.

Youth providers are often baffled by the complexity of the current WIA youth measures. The three youth common measures are more manageable, include both older and younger youth and are more realistic to meet and exceed. The new Literacy/Numeracy measure, however, does present some unique challenges.

The Commonwealth already has a system in place to capture and report common measures. All that is needed, once a waiver is approved, is to negotiate realistic goals with ETA.

State or Local Statutory or Regulatory Barriers:

The relevant portions of WIA Section 136 do not conflict with any state or local statute or regulation.

Describe the individuals affected by the waiver:

The individuals benefiting from the waiver are all the WIA system clientele, like youth, adults, dislocated workers, employers, Local Areas, among other, because reduction in performance measures helps to improve delivery of services and reduce operational costs associated to gathering and validate performance data.

Describes the processes used to:

Monitor the progress in implementing the waiver:

Should this request be granted, the SWIB would be the responsible entity for developing a new policy issuance that will be distributed to all Local Areas.

Provide notice to any Local Board affected by the waiver:

Prior to the submission of the waiver request, the HRODC will notify all regions of its intent via email memorandum.

Provide any Local Board affected by the waiver an opportunity to comment on the request:

A 15-day comment period from the date of publication on the HRODC website will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL's Employment and Training Administration Regional Office in Boston.

Ensure meaningful public comment, including comment by business and organized labor, on the waiver:

This waiver request will be included in the State Strategic Plan Modification for PY 2009-10. A public announcement will be placed in a major circulation newspaper for information and comments from the general community. Also a hardcopy draft will be available in HRODC offices to review and comments for community and workforce system partners. The State Plan Modification 2009-10 also will be available in the HRODC web page www.cdorh.org, for public comments.

2. Reimbursement to the OJT Employer on a Graduated Scale

Identify the statutory or regulatory requirements for which this waiver is requested and the goals that the State or local area, as appropriate, intends to achieve as a result of the waiver and how those goals relate to the Strategic Plan goals:

We request Waiver of WIA Section 101(31) (B) to permit LWIAs to reimburse the employer for on the Job Training on a graduated scale based on the size of the business. The following reimbursement amount will be permitted:

- Up to 90% for employers with 50 or fewer employees
- Up to 75% for employers with more than 50 employees but less than 100 employees. For employers with 100 or more employees, the current statutory requirements will continue to apply.

Allowing businesses to apply these scales to determine the contribution amount will increase participation in the WIA OJT training program at the local level. Employers will benefit by having a labor pool with the marketable skills they require.

Local Boards choosing to implement this waiver must adhere to the State Board Administrative Memorandum WIA 4-2007, entitled ***Request and Public Policy to Customized Training and On the Job Training (OJT) Activities***, of November 30, 2007.

Describe the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers:

The relevant portions of WIA Section 136 do not conflict with any state or local statute or regulation.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted:

The propose sliding scale will provide the Governor's Reserve Fund and the WIA Local Boards greater flexibility for responding to changes in the labor market and will help ensure that the WIA funds allocated are being used to maximize customer service and other demand driven needs of the business community.

The removal of the 50 percent employer match requirement of the OJT cost will allow the activities under the Governor's Reserve Fund and the Local Areas to more effectively market customize training to the private sector in support of strong relations with employers in high growth, high demand industries.

The proposed sliding scale for the employer match will create the necessary flexibility for employers to provide the required match at a level more reasonably suited to their size and the cost benefit ratio of contributing to a match to received skilled employees.

In Puerto Rico, the small business and local industries are a significant source of jobs creation. This waiver allows them to upgrading employee's skill, to be competitive and to the development and introduction of new products and technology. Allowing businesses to apply the sliding scale to determine a match amount will increase participation in the WIA On the Job Training programs at the State and Local Levels. Local Boards will increase their participation rates for skilled job seekers that received training and found employment.

Describes the individuals affected by the waiver:

Individuals benefiting from the waiver are employers with 100 or less employees due to the reduced match requirement and the ability to train a small number of individuals to their special needs. Participants receiving OJT and subsequent employment will also benefit with the waiver approval.

Describe the processes used to:

Monitor the progress in implementing the waiver:

Should this request be granted, the SWIB would be the responsible entity for developing a new policy issuance that will be distributed to all Local Areas.

Provide notice to any Local Board affected by the waiver:

Prior to the submission of the waiver request, the HRODC will notify all regions of its intent via email memorandum.

Provide any Local Board affected by the waiver an opportunity to comment on the request:

A 15-day comment period from the date of publication on the HRODC website will be given to allow the public an opportunity to provide comments on this request. Copies of any comments received will be forwarded to the USDOL's Employment and Training Administration Regional Office in Boston.

Ensure meaningful public comment, including comment by business and organized labor, on the waiver:

This waiver request will be included in the State Strategic Plan Modification for PY 2009-10. A public announcement will be placed in a major circulation newspaper for information and comments from the general community. Also a hardcopy draft will be available in HRODC offices to review and comments for community and workforce system partners. The State Plan 2009-10 also will be available in the HRODC web page www.cdorh.org, for public comments.

ATTACHMENT 7

Public Announcement
PR WIA State Plan Modification 2009-2010

Estado Libre Asociado de Puerto Rico
Departamento del Trabajo y Recursos Humanos
Consejo de Desarrollo Ocupacional y Recursos Humanos

AVISO PÚBLICO

MODIFICACION PLAN ESTATAL 2009-2010 WORKFORCE INVESTMENT ACT (WIA), WAGNER-PEYSER ACT Y AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)

El Departamento del Trabajo y Recursos Humanos, y su componente operacional, Consejo de Desarrollo Ocupacional y Recursos Humanos (CDORH), anuncia la disponibilidad para revisión pública, de la Modificación del 5to Año, 2009-2010, del Plan Estratégico Estatal, del Título I de la Ley de Inversión en la Fuerza Trabajadora (WIA), Ley Wagner-Peyser, y Ley de Recuperación y Reinversión Americana, (ARRA).

La Modificación se realizó en cumplimiento con el "Training and Employment Guidance Letter, TEGL," Número 14-08 del 18 de marzo de 2009, emitido por la Administración de Empleo y Adiestramiento del Departamento del Trabajo Federal.

La fecha límite para recibir comentarios es el 19 de junio de 2009. El documento está disponible para revisión en las siguientes oficinas durante horas laborables:

- Departamento del Trabajo y Recursos Humanos: Edificio Prudencio Rivera Martínez, Ave. Muñoz Rivera 505, Hato Rey

- CDORH: Edificio de Fomento Industrial, 2ndo piso, Ave. Roosevelt 355,Hato Rey y en el portal www.cdorh.org

Además está disponible en las siguientes oficinas de las Áreas Locales (Consorcios) del Sistema de Inversión de Puerto Rico:

Bayamón-Comerío (787) 785-4202/787-6750/798-0060
Calle Palmer #10 Esquina Dr. Veve, Bayamón, Puerto Rico 00960

Caguas-Guayama (787) 653-0748 Ext. 200,2002/744-5329
Consolidated Medical Plaza, Piso 5, Oficina 501 Calle Gautier Benítez, Caguas, Puerto Rico 00785

Carolina (787) 752-4090, ext. 2003 (787) 276-6175
Edificio Jesús T. Piñero, Tercer Piso Ave. Muñoz Rivera Esquina Molinillo, Carolina, Puerto Rico 00985

Guaynabo-Toa Baja (787) 720-4040 Ext. 6652
Guaynabo City Hall, Piso 5 Calle José Julián Acosta Esquina De Diego, Guaynabo, Puerto Rico 00922

Manatí-Dorado (787) 884-4055 Ext. 256
Carretera 670 Km. 4, Manatí, Puerto Rico 00674

La Montaña (787) 739-1370/1360
Calle José de Diego Final (Salida hacia Comerío) Cidra, Puerto Rico 00739

Mayagüez-Las Marías (787) 265-3737/3738/3735
63 Calle R. Martínez Nadal N, Mayagüez, Puerto Rico 00680

Noreste (787) 888-3030/3040
Marginal Carretera #3 Km. 23.9, Urbanización Las Flores Río Grande, Puerto Rico 00765

Noroeste (787) 882-2500 Exts. 413, 423.
Avenida Victoria #515, Aguadilla, Puerto Rico 00603

Norte Central-Arecibo (787) 879- 3090/3094 (787) 815-0063
Avenida De Diego #108 (Frente Plaza de Recreo), Arecibo, Puerto Rico 00613

Ponce (787) 879- 3090/3094 (787) 815-0063
Calle Isabel #6163, Ponce, Puerto Rico 00733

San Juan (787) 289-0470 Exts. 2043, 2044
Avenida Ponce de León #1205 Parada 17, San Juan, Puerto Rico 00907

Sur Central (787) 803-0119/0147/0137/0130/0129
Calle Baldorioty #5 Esquina Bobby Capó Coamo, Puerto Rico 00769

Sureste (787) 937-0000
Calle José de Diego #110, San Lorenzo, Puerto Rico 00754

Suroeste (787) 892-1000/2104
Carretera #2 Km. 170.0 Plaza Pitito, San Germán, Puerto Rico 00683

Los interesados pueden enviar sus comentarios y recomendaciones al CDORH a través del correo electrónico *igonzalez@cdorh.org* o a la siguiente dirección postal: PO Box 192159 San Juan PR 00919-2159.

Aurelio González Cubero
Director Ejecutivo
Consejo de Desarrollo Ocupacional
y Recursos Humanos

Patrono/Programa con igualdad de oportunidades.
Servicios y Ayudas auxiliares están disponibles a solicitud de las personas con impedimentos.

PRIMERA HORA sábado 6 de junio de 2009 53

Estado Libre Asociado de Puerto Rico
Departamento del Trabajo y Recursos Humanos
Consejo de Desarrollo Ocupacional y Recursos Humanos

SOLICITUD DE PROPUESTA

SERVICIOS PROFESIONALES, CONSULTIVOS, LEGALES Y ASESORAMIENTO TÉCNICO

El Consejo de Desarrollo Ocupacional y Recursos Humanos (CDORH) es la agencia designada por el Gobernador de Puerto Rico para administrar los fondos federales que recibe el Estado Libre Asociado de Puerto Rico, conforme al Título I de la Ley de Inversión en la Fuerza Trabajadora de 7 de agosto de 1998 (WIA, por sus siglas en inglés). El Consejo solicita los siguientes servicios:

Reglamentación WIA y Administración
Los Servicios Profesionales y Consultivos incluirán, entre otros, Asesoría en la Administración de los fondos WIA, Organización Estratégica, Planificación y Monitoría, Estructura Organizacional, Junta Estatal, Asesoramiento y Preparación de las Propuestas.

Servicios Profesionales y Consultivos en el Área de Finanzas
Los servicios incluirán, entre otros, Asesoramiento y Revisión de monitorias y/o auditorias efectuadas por auditores externos y/o agencias reguladoras, evaluación de los sistemas de contabilidad y el cumplimento de controles internos. Además podrá asesorar en el diseño de sistemas y medidas de control interno para cumplir con acciones correctivas y las recomendaciones de los auditores externos e internos, asesorar en la preparación de planes de distribución de costos, validación de informes anuales, revisión y análisis de los sistemas de contabilidad en las Áreas Locales y asistir al Director Ejecutivo del CDORH en asuntos financieros relacionados.

Servicios Profesionales y Consultivos Área Legal
Los servicios legales incluirán, entre otros, preparar opiniones legales especializadas en materia relacionada a la Ley WIA y Leyes relacionadas, brindar asesoramiento en el Área de Recursos Humanos y Relaciones Laborales, Administración, Planificación, Monitoria y Orientación al personal y participantes. Además, se brindarán servicios como Oficial Examinador, según requerido por el Director Ejecutivo.

Se requiere conocimiento de la ley de Inversión en la Fuerza Trabajadora, (WIA por sus siglas en ingles) del 7 de agosto de 1998, el 20 CFR parte 652 et als. Workforce Investment Act; Final Rules (11 de agosto de 2000) y cualquier otra base legal aplicable de origen federal y local. Un criterio a considerar será la experiencia en trabajos similares y/o relacionados con organismos asociados al Sistema de Inversión en la Fuerza Trabajadora WIA en el ámbito estatal y/o ótras áreas locales de Inversión en la Fuerza Trabajadora

Los interesados presentarán una propuesta donde especifiquen los servicios a ofrecer, experiencia y honorarios.

Las propuestas deberán presentarse dentro de 10 días calendario contandos a partir de la publicación de este anuncio. Deberán entregar las propuestas antes de las 3:30 p.m., personalmente, en la oficina central del CDORH localizada en:

Consejo de Desarrollo Ocupacional y Recursos Humanos
Edificio Compañía Fomento Industrial
Avenida F. D. Roosevelt # 355, Piso 2
San Juan, Puerto Rico 00918

Aurelio González Cubero
Director Ejecutivo
Consejo de Desarrollo Ocupacional
y Recursos Humanos

Patrono/Programa con igualdad de oportunidades.
Servicios y ayudas auxiliares están disponibles a solicitud de las personas con impedimentos.

ATTACHMENT 8

Program Administration Designees And Plan Signatures

Attachment 8
Program Administration Designees and
Plan Signatures

Name of WIA Title I Grant Recipient Agency: Puerto Rico Department of Labor and Human Resources (PRDLHR)

Address: Prudencio Rivera Martínez Building, 505 Muñoz Rivera Ave.

Hato Rey, Puerto Rico 00918

Telephone Number: 1-787-754-2119/ 2120

Facsimile Number: 1-787-753-9550

E-mail Address: mromero@dtrh.gobierno.pr

Name of State WIA Title I Administrative Agency (if different from the Grant Recipient): Human Resources and Occupational Development Council (HRODC)

Address: 355 Roosevelt Ave. 2nd. Floor

San Juan, Puerto Rico 00919

Telephone Number: 1-787-754-5504

Facsimile Number: 1-787-763-0195

E-mail Address: agonzalez@cdorh.org

Name of WIA Title I Signatory Official: Miguel Romero, Secretary Department of Labor and Human Resources

Address: Prudencio Rivera Martínez Building, 505 Muñoz Rivera Ave.

Hato Rey, Puerto Rico 00918

Telephone Number: 1-787-754-2119/ 2120

Facsimile Number: 1-787-753-9550

E-mail Address: mromero@dtrh.gobierno.pr

Name of WIA Title I Liaison: Aurelio González, Executive Director

Human Resources and Occupational Development Council

Address: 355 Roosevelt Ave. 2nd. Floor

San Juan, PR 00918

Telephone Number: 1-787-754-5504

Facsimile Number: 1-787-763-0195

E-mail Address: agonzalez@cdorh.org

Name of Wagner-Peyser Act Grant Recipient State Employment Security Agency: Puerto Rico Department of Labor and Human Resources

Address: Prudencio Rivera Martinez Building, 505 Muñoz Rivera Ave.

Hato Rey, Puerto Rico 00918

Telephone Number: 1-787-754-2119/ 2120

Facsimile Number: 1-787-753-9550

E-mail Address: mromero@dtrh.gobierno.pr

Name and Title of State Employment Security Administrator (Signatory Official): Efrain Figueroa
Assistant Secretary of Workers' Benefits

Address: Prudencio Rivera Martinez Building, 505 Muñoz Rivera Ave.

Hato Rey, Puerto Rico 00918

Telephone Number: 1-787-754-2142

Facsimile Number: 1-787-767-3408

E-mail Address: efigueroa@dtrh.gobierno.pr

As the Governor, I certify that for the Commonwealth of Puerto Rico, the agencies and officials designated above have been duly designated to represent the Commonwealth in the capacities indicated for the Workforce Investment Act, Title I, and Wagner-Peyser Act Grant Programs. Subsequent changes in the designation of officials will be provided to the U.S. Department of Labor as such changes occur.

I further 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: Konneth McClintock (Acting Governor)

Signature of Governor: Kenneth D. McClintock

Date: June 29, 2009