



GOVERNMENT OF PUERTO RICO

DEPARTMENT OF ECONOMIC
DEVELOPMENT AND COMMERCE

MODIFICATION
WIOA
UNIFIED STATE PLAN 2016-2020
Government of Puerto Rico
DRAFT
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Foreword – LEFT BLANK ON PURPOSE

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Governor

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I. Unified or Combined State Plan. Select whether the State is submitting a Unified or Combined State Plan. At a minimum, a State must submit a Unified State Plan that covers the six core programs.

Puerto Rico is submitting a modification for the Unified State Plan 2016-2020. This plan includes the Adult Program, Dislocated Worker Program, Youth Program, *Wagner-Peyser Act* Program, *Adult Education and Family Literacy Act* Program, and Vocational Rehabilitation Program.

II. Strategic Elements. The Unified State Plan must include a Strategic Planning Elements section that analyzes the State's current economic environment and identifies the State's overall vision for its workforce development system. The required elements in this section allow the State to develop data-driven goals for preparing an educated and skilled workforce and to identify successful strategies for aligning workforce development programs to support economic growth.

II(a). Economic, Workforce, and Workforce Development Activities Analysis. The Unified State Plan must include an analysis of the economic conditions, economic development strategies, and labor market in which the State's workforce system and programs will operate.

II(a)(1). Economic and Workforce Analysis. The Unified State Plan must include an analysis of the economic conditions, economic development strategies, and labor market in which the State's workforce system and programs will operate.

II(a)(1)(A). Economic Analysis. The Unified State Plan must include an analysis of the economic conditions and trends in the State, including sub-State regions and any specific economic areas identified by the State.

Economic Analysis

In the 1940s and 1950s, led by Operation Bootstrap, Puerto Rico's economy grew rapidly, and productivity increased by 5% per annum as it transitioned from an agricultural-led to a manufacturing-led economy. In 1976, Section 936 of the Federal tax code was introduced to promote investments by companies that could transfer their "intangible assets" to Puerto Rico, and thereby shift profits to the Island. These Section 936 companies, which were mostly in pharmaceuticals and life sciences, became a pillar of Puerto Rico's economy, creating valuable local supply chains, local banking deposits, and contributing substantial tax revenue. In 1996, US Congress decided to end Section 936, gradually phasing it out by 2006.

Since 2006, Puerto Rico's economy has been almost continuously in a recession for more than a decade (only in 2012 was GDP flat instead of negative). By the end of this year, the economy is expected to have shrunk back to the size it was in 2000, while

the US economy will be 35% larger. Puerto Rico's economy has failed to become self-sufficient and suffered from US policies, in particular the removal of Section 936 of the IRS code that gave tax incentives to US companies operating in Puerto Rico. This was enacted in 2006, the same year the latest recession began.

In 2006, Congress ended special tax breaks that historically aided the Puerto Rican economy. The island's job market has been ailing ever since. While the mainland U.S. added millions of jobs following the Great Recession, Puerto Rico never got back on its feet. The island has lost more than 20% of its jobs since 2007. Before Maria, IHS Markit projected GDP declines of 3.6% and 2.8% in 2017 and 2018, respectively, for Puerto Rico.

Outlook for the fiscal and economic crisis

- Since 2006, Puerto Rico's real GNP has shrunk by more than 14%.
- In the past decade more than 300,000 people have left Puerto Rico. The impact of Hurricanes Irma and María accelerated this trend with an additional 600,000 people or 19% decline expected by FY22.
- Student population has declined by over 40% since 2000 with an additional 16% decline expected by FY22.
- More than 45% of Puerto Rico residents live in poverty, which is the highest poverty rate of any U.S. state (Mississippi is the next highest at 21.9%). Puerto Rico's 10.9% unemployment rate is almost three times the national level.
- Concerns about quality of life, poor delivery of public services and high unemployment have led to a historic population exodus.
- Puerto Rico is treated unequally under key federal programs such as Medicaid as compared to states. For example, the Census Bureau has reported that Oregon, a relatively prosperous state with a population similar in size to Puerto Rico, received over \$29bn from the Federal Government, whereas Puerto Rico received \$19bn for the same year (GAO Report United States March 2014: Information on How Statehood Would Potentially Affect Selected Federal Programs and Revenue Source).
- Periods of fiscal irresponsibility and lack of economic planning and transparency also contributed to Puerto Rico's financial crisis
- Overestimation of economic growth projections resulted in massive deficits that were covered with one-time measures and debt financing
- Frequent policy changes and lack of economic planning led to economic decline.
- Government Development Bank of Puerto Rico, Economic Activity Index (GDB-EAI) rate shows that the August 2017 figure for the EAI was 121.0, a 1.9% reduction compared to August 2016, and an increase of 0.2% compared to July 2017. On a year-to-date basis (July 2017 to August 2017) the decline was 2.1% with respect to the same period of the previous fiscal year. During the period of FY 2007-2016,

the EAI rate showed a negative rate in ten consecutive years, oscillating among -1.5 to -4.9 rates.

- Unchecked fiscal deficits between 2001 and 2008 led to a recurrent practice of deficit financing, resulting in a 131% growth in public debt during the period.
- An increase in expenditures and public debt led to a consistent decline in Puerto Rico’s credit ratings, except for the period between 2009 and 2012. (**Puerto Rico Credit Rating FY00 –FY16 : S&P Rating on General Obligation Bonds**).
- **Lenders enabled the island's debt binge** - For years, bond holders extended credit to Puerto Rico, capitalizing on federal, state and municipal tax advantages. But the lending continued well into the 2010s, when the island was careening toward economic chaos. Like a subprime borrowing that can't afford to pay for a huge mortgage, Puerto Rico was broke — but the credit was provided anyway. The additional debt compounded the island's crisis.

Puerto Rico’s infrastructure was significantly damaged by Hurricanes Irma and Maria

On September 6, 2017 and September 20, 2017, Hurricanes Irma and María devastated Puerto Rico. The Hurricanes caused unprecedented economic and infrastructure related damages disrupting the daily lives of 3.4mm residents, including housing, infrastructure, environment, safety, health and social services, and municipal operations. The response to the catastrophe by the U.S. and Federal agencies has become one of the largest and most complex disaster recovery efforts in U.S. history

Hurricanes Irma and María have significantly altered the economic landscape. Negative impact of Hurricanes on economic outlook is mitigated by Federal support and positive impact of Structural Reforms.

Graph 1
Hurricanes Irma and María Impact on Economy



Nominal GNP is estimated to fall sharply in FY18 due to the impact caused by Hurricanes Irma and María. Disaster recovery assistance and rebuilding efforts drive higher nominal growth in subsequent years.

The key driver to the financial projection is revenue growth, which is estimated for FY18 using the elasticity of revenue to nominal GNP observed during the U.S. Great Recession and is consistent with general fund collections through November. Revenues are not anticipated to recover to pre-Hurricanes levels through the projection period: revenues are forecasted to remain 1.3% lower than pre-storm levels by FY22, in nominal terms.

Basic Economic Facts

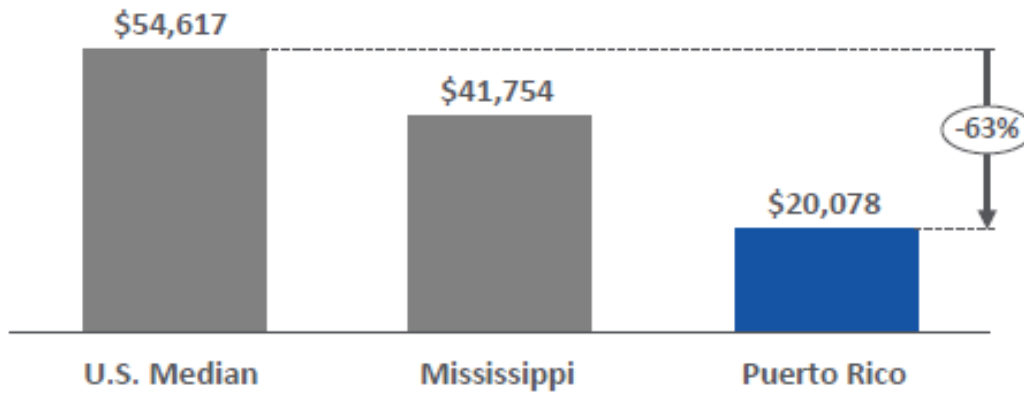
- **Privileged geographical location:** Easy access to U.S., Latin America and Europe.
- **Population:** 3.4million (as of July 2016)
- **Languages:** Spanish & English
- **Direct flights to major cities**
- Puerto Rico residents and businesses are **subject to the legal protection of both the U.S. and the Puerto Rico Constitutions.**
- **GNP** \$70.1billion
- **GDP** \$105.7 billion
- **GDP PER CAPITA** \$30,516
- **EXPORTS VALUE** \$71.9 billion
- **IMPORTS VALUE** \$43.3 billion

Socioeconomic Conditions

Puerto Rico's territorial status deprives its residents of the quality of life they deserve as U.S. citizens. Latest US Supreme Court decisions have led to the territorial status, highlighting the lack of basic rights the people of Puerto Rico are entitled to as U.S. citizens with no presidential vote; no voting representation in Congress; no parity in Medicaid and considered as a foreign entity for federal tax purposes.

The median household income is the lowest in the US, equivalent to a half of the lowest in the nation, and three time lower than the US Median.

Graph 2
Median Household Income (\$mm's)



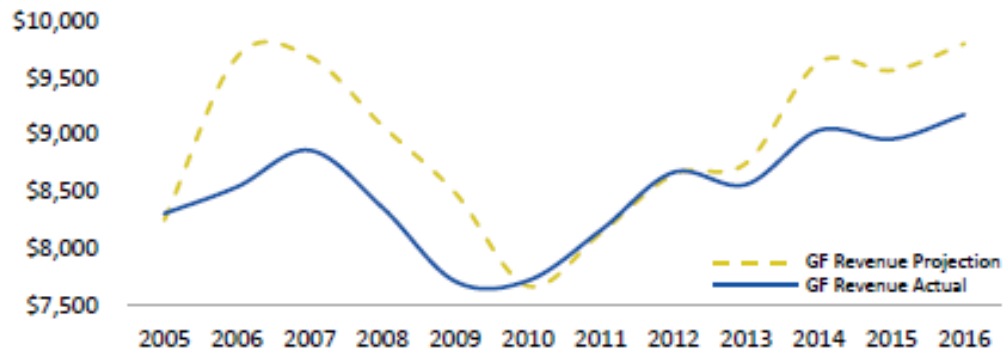
The rate of children and adolescents living under poverty levels in PR, reached up to 58% on PY 2015, relatively high compared with 21% at the national level for that year. Other socio-economic indicators show a rate of 57% of children with parent without job security; a rate of 31% of children living in houses with high costs of housing and a rate of 11% of adolescents who do not attend school or work.

Socioeconomic Welfare Conditions

Population	PR			USA		
	Net	%	%	Net	%	%
	2010		2015	2010		2015
CHILDREN LIVING IN POVERTY	428,000	56%	58%	15,000,000	22%	21%
CHILDREN WITH PARENTS WITHOUT JOB SECURITY	422,000	54%	57%	21,363,000	33%	29%
CHILDREN LIVING IN HOUSES WITH HIGH COST OF HOUSING	232,000	32%	31%	24,646,000	41%	33%
ADOLESCENTS WHO DO NOT ATTEND SCHOOL OR WORK	21,000	18%	11%	1,191,000	9%	7%

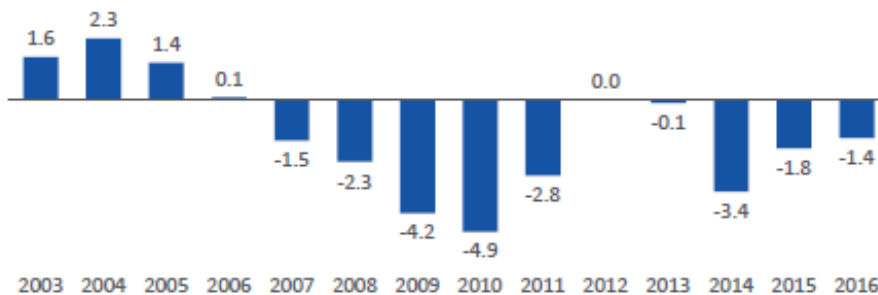
The Public Debt increase from \$26,000 million in FY 2000, up to \$69,000 million in FY 2015. Overestimation of economic growth projections resulted in massive deficits that were covered with one-time measures and debt financing.

Graph 3
Revenue Projections vs Actual Revenues 2005-2016 (\$mm's)



Frequent policy changes and lack of economic planning led to economic decline. Since FY 2000 the economic index reflected a decrease rate pattern, until reach -4.9 in FY 2010

Graph 4
GDB Economic Index (%)

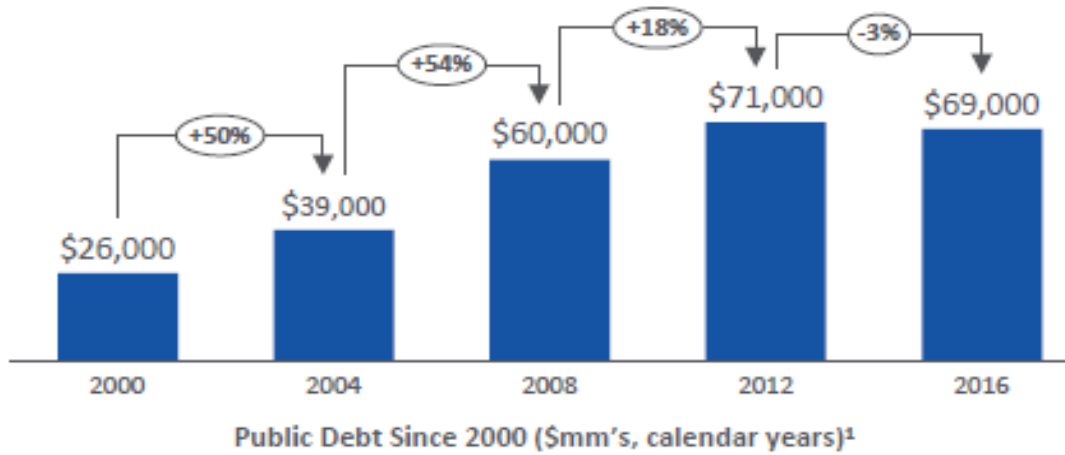


Source: Government Development Bank of PR

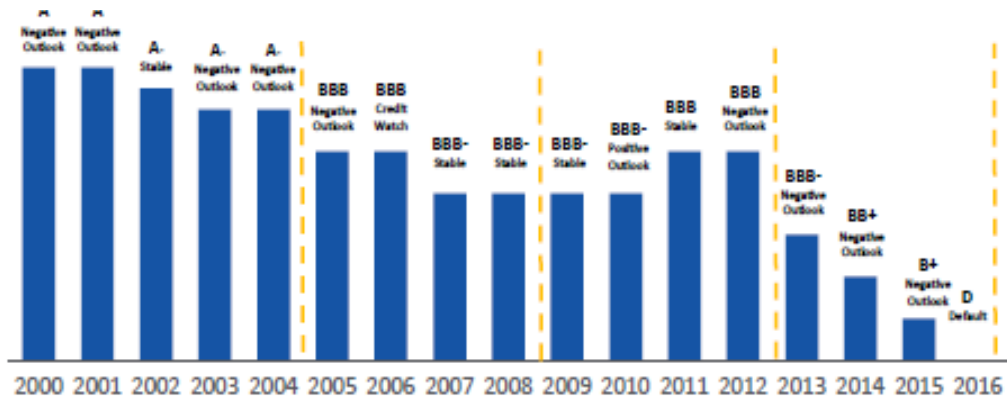
Unchecked fiscal deficits between 2001 and 2008 led to a recurrent practice of deficit financing, resulting in a 131% growth in public debt during the period. In a sixteen-year period, the debt triplicated from 26 billion in PY 2000, until the current debt of 69 billion

until PY 2016.

Graph 5
Puerto Rico Public Debt 2000-2016 (\$mm's)



Graph 6
PR Credit Rating PY 2000-2016

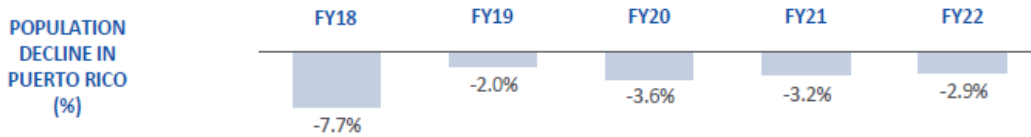


Source: S&P Rating on General Obligation Bonds

Population Decline

These GNP contraction causes population decline, as people leave the Island due to poor economic conditions. People leave the island because there are no jobs. The effects of **María and Irma** indicate that net outward migration increases following a storm. A 19.4% cumulative decline in population is expected over the next five years.

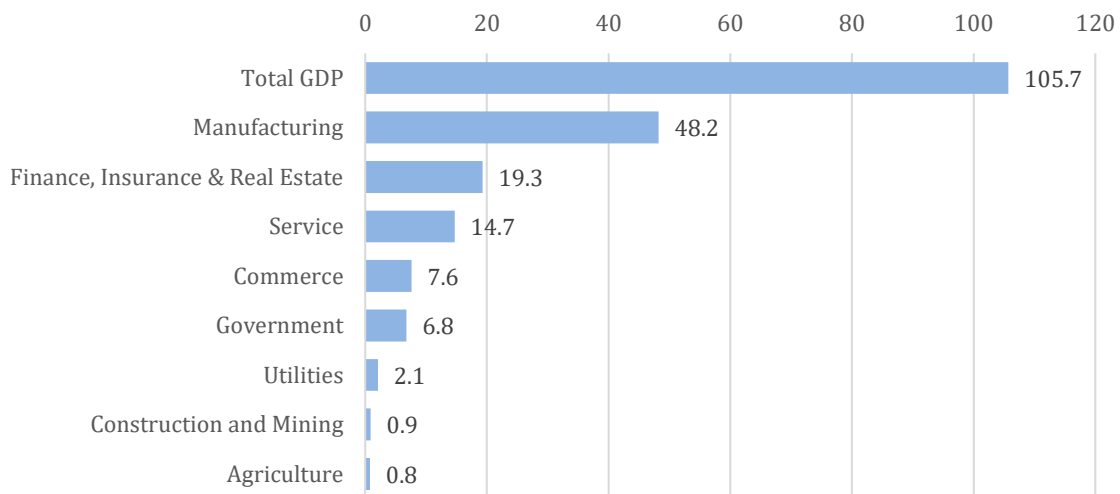
Graph 7
Population Forecasting



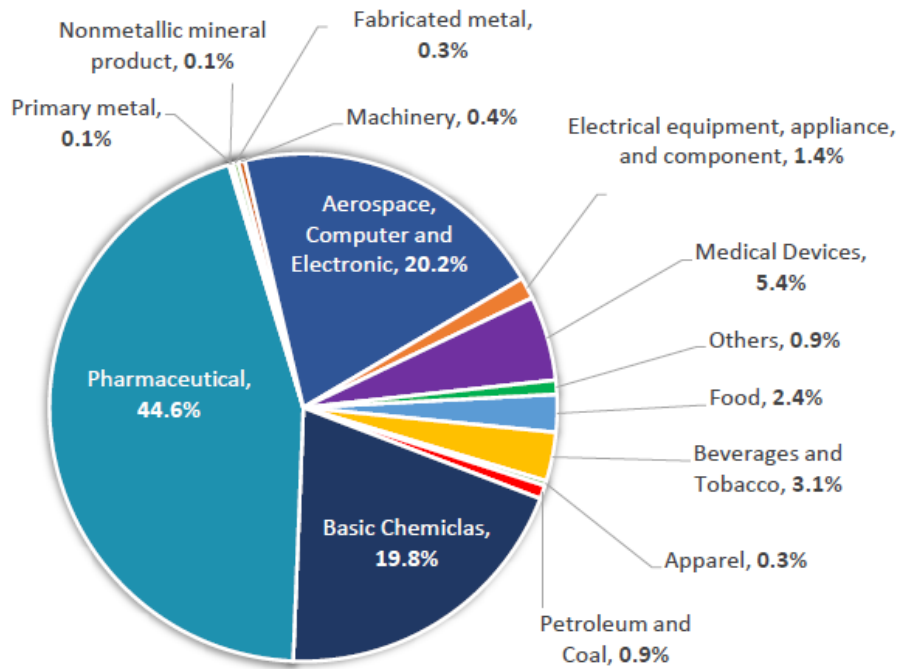
Gross Domestic Product (GDP)

In FY 2017, the total GDP in PR was 105.7 million, with manufacturing share almost the half of the GDP with 48.2 million. As Graph 8 shows, the pharmaceutical industry is still the key industry in the local economy, with aerospace, computer and electronic increasing their economic impact among the manufacturing industry. The current manufacturing industry relies in high technology, medical device, chemical, and electronics, among other, as shown in Graph 9.

Graph 8
Gross Domestic Product by Industry Sectors
FY 2017



GRAPH 9
Manufacturing GDP by Industry FY 2017



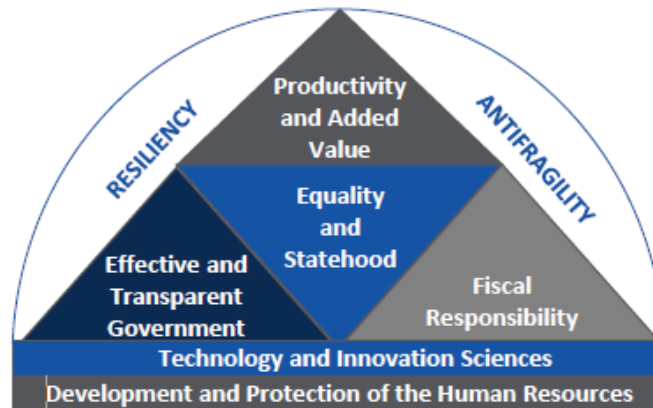
GOVERNMENT OF PUERTO RICO - VISION

The government's vision for the socioeconomic transformation is founded on a new Government model to drive fiscal and economic stability (Source: Plan Para Puerto Rico, Government Program and a Model for the Socioeconomic Transformation of our Island.)

Strategic Goals:

- To establish a new Government which facilitates and implements strategies that achieve sustainable economic growth and provides opportunities for job growth and personal advancement.
- To develop an educated, healthy, productive and vibrant society, observant of law, order and integrity.
- To establish effective, efficient, and responsible government policies and practices that remain sensitive to the needs of Puerto Rico's most vulnerable residents.

- To incorporate practices and operations based on scientific-and performance-based models into Government; where evidence and results matter; and where resident participation, collaboration, and trust in government are the main focus of its validation.



Main Objectives:

1. Develop and **protect human capital**.
2. Correct structural issues, **bolster economic growth** efforts, and utilize areas of opportunity.
3. Improve **Puerto Rico's competitiveness** through less regulation, energy reform and other various structural reforms.
4. Position Puerto Rico as a **global investment** destination.
5. Upgrade policies of **public private partnership** investment in energy, water, waste management, and other infrastructure projects.
6. Increase labor force flexibility and create **high quality jobs**.
7. Develop a **safe, educated, healthy and sustainable society**.
8. Achieve **equality** for all residents of Puerto Rico consistent with other U.S. states.
9. Eliminate **inequality** at the local level.
10. Use and maximize **science and technology** as a driver for transformation.

SWOT ANALYSIS

Strengths

- **U.S Legal Framework and Protection**
 1. U.S. foreign trade zones and customs; goods enter U.S. market duty-free
 2. U.S. legal framework and intellectual property protection

3. U.S. currency and banking system
4. Homeland Security Act protection
5. No passports required for U.S. citizens traveling to Puerto Rico

- **Highly Skilled Workforce**

1. 1.3 million workers in the workforce; many bilingual
2. Knowledgeable in GMP, FDA and global regulations
3. Manufacturing wages 65-80% lower than mainland U.S.
4. Highly educated, with more than 30,000 university degrees granted each year in science, math and technology fields

- **World-Class Infrastructure**

1. Port of San Juan ranks #9 in container movement in U.S.
2. Around 5,000 cargo flights per month and around 2,200 weekly flights from San Juan International Airport, according to PR Ports Authority in 2010.
3. 139 industrial parks with 25 million square feet of space managed by PRIDCO
4. 24,000-mile highway network
5. 5,839 megawatt generating capacity with a vigorous energy source diversification plan for the next 10 years and two private energy cogenerators
6. Water quality meets rigorous U.S. EPA standards
7. Fiber-optic telecommunications network

- **Strong Demographics for Business Success**

With a well-earned reputation for its highly skilled and educated workforce, Puerto Rico is a dynamic location where companies can prosper and expand their operations. Well more than half (58.1%) is in their prime working years of 20 to 65 years old. Nearly evenly split between male and female, the workforce is bilingual, speaking both English and Spanish.

- **Best Environment for Investment**

1. Puerto Rico is Open for Business is a single business portal to help investors. Doing business in Puerto Rico just got easier. The Single Business Portal helps investors to navigate the ins and outs of getting project, offering information, documents, permits, and licenses – all in a streamlined and efficient tool.
2. The Export Services Act of 2012 or Act 20 offers a four (4)% corporate tax rate for Puerto Rican businesses providing services for exportation, 100% tax-exempt dividends from earnings and profits derived from the export services income of eligible businesses, and a 60% exemption on municipal taxes.

3. The incentives under Act 22 of 2012, which will expire on December 31, 2035, include 100% tax-exemption on dividends and interests and a 100% tax exemption on short-and long-term capital gains, after becoming residents.
4. The International Financial Center Regulatory Act provides tax exemptions to businesses engaged in eligible activities in Puerto Rico. To avail from such benefits, a business needs to become an International Financial Entity (“IFE”) and obtaining a tax exemption decree.
5. A Destination Marketing Organization (DMO) seeking to professionalize and give consistency to Puerto Rico’s brand as a major tourist destination in the Caribbean and be recognize as a premier destination globally.
6. Employment Transformation and Flexibility Act, Law No. 4 of January 26, 2017 is statute that reconfigures longtime-established employment management rules in Puerto Rico, to make Puerto Rico a more competitive jurisdiction while, at the same time, protecting the essential rights of the employee.
7. Puerto Rico Permit Process Reform to improve Puerto Rico’s competitiveness, through modifications to make more agile and efficient the process to evaluate permits for the development and use of land and structures in Puerto Rico
8. The Puerto Rico Site Selection Map, a new tool launched by the Department of Economic Development and Commerce (DDEC, Spanish acronym), accelerates the process of searching and selecting sites to establish businesses, while speeding up the use of government lots and buildings.
9. Creation of a nonprofit entity entitled **Enterprise Puerto Rico**, which will be in charge of promoting the island as a destination for foreign investment and new businesses. Puerto Rico is Open for Business, is the key initiative to attract investment on the Island.

Weakness

1. *Inequality created by the territorial status is one of the primary causes of the severe disparity in personal income that exists between residents of the U.S. mainland and Puerto Rico. The U.S. Median Household Income (\$mm’s) is \$54,617, meanwhile for PR is \$20,078, a difference of -63 percent (United States Census Bureau, 2016).*
2. Consistent decline in Puerto Rico’s credit ratings.
3. Recurrent practice of deficit financing resulted in a 131% growth in public debt during the period, increasing from \$26,000 million in FY 2000, up to \$69,000 million in FY 2015.
4. In the past decade more than 300,000 people left Puerto Rico. The impact of Hurrricanes Irma and María accelerated this trend with an additional 600,000 people leaving and 19% population decline is expected by FY22.

5. Student population has declined by over 40% since 2000 with an additional 16% decline expected by FY22.
6. More than 45% of Puerto Rico residents live in poverty, which is the highest poverty rate of any U.S. state (Mississippi is the next highest at 21.9%). Puerto Rico's 10.9% unemployment rate is almost three times the national level.
7. The Hurricanes Irma and María had a significant negative impact on the economy.

Opportunities

1. The Government will implement its transformational strategy through the New Government Fiscal Model, which represents a great opportunity to implement reforms, such as improving tax collections, help to achieve cost efficiencies and enhance revenues.
2. A comprehensive package of structural reforms, such as energy, welfare, and taxes, will be implemented to stimulate sustainable economic growth and employment opportunities.
3. Government request for supplemental Federal assistance, aims to receive financial support from the Federal Government to rebuild Puerto Rico and to continue providing core services.

Threats

1. The Congressional approval of the *Tax Cuts and Jobs Act* of 2017, as well as delays in restoring the energy grid, among other recovery initiatives, are the most recent evidence that Puerto Rico's territorial status and lack of voting representation in Congress poses the greatest impediment to its sustainable economic development.
2. The US Congress passed in May 2016, the **Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA)**. The bill establishes the Financial Oversight and Management Board (FOMB) to oversee the development of budgets and fiscal plans for Puerto Rico's instrumentalities and government. The FOMB limits the scope of the Government to develop initiatives that launch economic development. This situation has created a confrontation environment between the FOMB and the Government, since it is not yet clear what are the limits of action of the Board, without undermining the duties of the elected Government of Puerto Rico.

TRANSFORMATION AND INNOVATION IN THE WAKE OF DEVASTATION AN ECONOMIC AND DISASTER RECOVERY PLAN FOR PUERTO RICO

After hurricanes Irma and María, thousands of people lost their jobs, schools were closed, government services and private enterprise could no longer operate effectively, landslides caused flooding hazards, and wastewater polluted marine environments. The Government of Puerto Rico views the recovery efforts as an opportunity to transform the Island by implementing solutions that are cost effective and forward looking, that harness innovative thinking and best practices, and revitalizes economic growth.

Recovery efforts are an opportunity to use recovery investments to help transform the Island by implementing solutions that are:

- cost-effective and forward-looking
- harness innovative thinking and best practices from around the world
- contribute to greater economic development, revitalization, and growth as well as enhanced human capital.

Puerto Rico’s recovery plan sets out a path to help guide recovery investments toward this broader transformational vision by:

- defining what recovery means for Puerto Rico
- establishing principles for how the Government of Puerto Rico, nongovernmental, private, and nonprofit agencies should work together towards recovery
- describing the phases, the recovery will progress through
- identifying the most pressing recovery issues and the priority actions, as well as potential partners and resources to address each issue
- committing to measuring and reporting on the progress of the recovery.

THE CENTRAL RECOVERY AND RECONSTRUCTION OFFICE OF PUERTO RICO

The Government of Puerto Rico— through the Central Recovery and Reconstruction Office (CRRO), established by executive order in 2017 and now also known as the Central Office of Recovery, Reconstruction, and Resilience (COR3), is in charge of developing this recovery plan in response to the “Further Additional Supplemental Appropriations for Disaster Relief Requirements Act, 2018” (Public Law No. 115-123). COR3 plans to use third-party assistance to manage recovery funds and optimize the long-term reconstruction process.

Fiscal transparency and strong Governance

Transparency is a key guiding principle of Puerto Rico’s entire recovery process.

The Central Recovery and Reconstruction Office of Puerto Rico, as a division of the P3 Authority, have the authority to centralize and oversight of the recovery and reconstruction of Puerto Rico. It will ensure that the Government of Puerto Rico can implement reconstruction efforts with efficiency, effectiveness, and transparency.










The COR3's responsibilities are to:

- **Monitor** contracting for compliance and effectiveness purposes.
- **Implement and enforce** checks and balances for procurement and approval of contracts and payments.
- **Deploy** a proven grant-management software and provide external visibility via frequent status updates to its public website.
- **Coordinate and channel** all efforts and activities of the Government related to recovery efforts.
- **Process, finance, and execute** works and infrastructure projects related to recovery efforts.

RECOVERY INDICATORS

Puerto Rico's recovery and resilience thus needs to be tracked with a range of indicators, including population's wellbeing; access to high-quality health, social, and economic services; education, job, and housing opportunities; and a healthy environment.

Puerto Rico recovery indicators are shows in the following graph:

	INDICATOR NAME	POSSIBLE SOURCE	DEFINITION
	Population change	Puerto Rico Community Survey	Change in working age (18-64 years) adults as percent of overall population
	Employment growth	Puerto Rico Community Survey	Percent of population 18-64 years of age in civilian labor force
	Small business growth	Bureau of Labor Statistics	Net number of start-up businesses
	Visitor economy	Puerto Rico Tourism Company	Average number of nights of lodging rented
	General health	Updated PR-Behavioral Risk Factor Surveillance System	Percent of adults reporting good, very good, or excellent health
	Access to health services	Updated PR-Behavioral Risk Factor Surveillance System	Percent of adults reporting access to healthcare coverage
	Educational attainment	Puerto Rico Community Survey	Percent of adults over 25 years of age with at least some college or a bachelor's degree
	Broadband communications	FCC Broadband Progress report	Percent of population with access to broadband service
	Properties insured	Puerto Rico Mortgage Bankers Association	Percent uptake of insurance
	Emergency preparedness	Puerto Rico Emergency Management Agency	Percent of municipalities with an emergency response plan that has been updated in the past year
	Water and wastewater treatment	Puerto Rico Aqueduct and Sewer Authority	Number of water and wastewater treatment plants in operation
	Ocean health	NOAA	Chlorophyll A Concentration

DEVELOPMENT OF THE RECOVERY PLAN

The plan was developed over the course of three dynamic and overlapping phases:

1. Identifying damage, needs, and priorities for recovery
2. Identifying potential courses of actions (and their related costs)
3. Aligning the plan objectives and courses of action and identifying funding sources.

Vision:

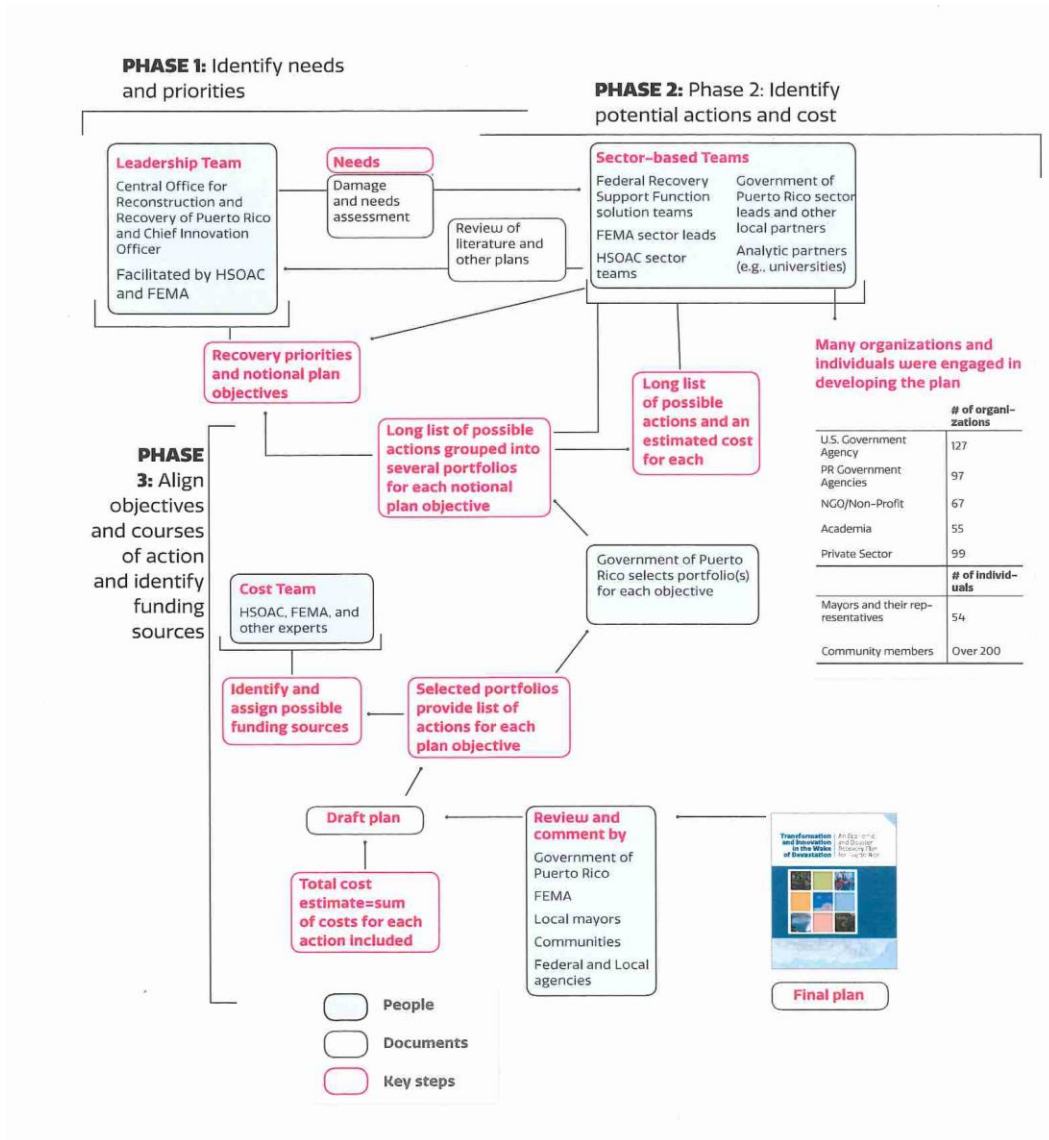
To build the new Puerto Rico to meet the current and future needs of the people through sustainable economic development and social transformation; transparent and innovative approaches to governance; resilient modern, and state-of the-art infrastructure; and a safe, educated, healthy, and sustainable society.

Goals of the Plan

The plan focuses on rebuilding, strengthening, and improving four core areas:

1. **Society** - Ground the new Puerto Rico in the needs of its people by promoting a society that is educated, healthy and sustainable.
2. **Economy** - Ensure rebuilding and restoration efforts promote sustainable economic growth and social transformation and contribute to a more vibrant and competitive economy that can provide opportunities for job growth; personal advancement that produces benefits for Puerto Rico's residents for generations to come.
3. **Resilience** -Enhance Puerto Rico's ability to withstand and recover from future disasters through individual, business, and community preparedness; redundant systems; continuity of operations ; improved codes and standards
4. **Infrastructure** - Strengthen Puerto Rico's critical infrastructure by rethinking its design and reconstruction to be more modern, sustainable, and resilient than before the hurricanes; effectively support people, industry and the economy.

Graph 10
Plan Development Flowchart



FEDERAL LEGISLATION SUPPORTING THE DEVELOPMENT OF THE RECOVERY PLAN

In the aftermath of Hurricanes Irma and María, the President signed Major Disaster Declarations on September 10, 2017 (FEMA-4336-DR) and on September 20, 2017 (DR-4339), respectively, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act).

Congress passed the “Bipartisan Budget Act of 2018” on February 9, 2018 (Public Law No. 115-123). This legislation requires the Governor of Puerto Rico, with support and contributions from the Secretary of the Treasury, the Secretary of Energy, and other federal agencies having responsibilities defined under the National Disaster Recovery Framework, to produce within 180 days an economic and disaster recovery plan that defines the priorities, goals, and outcomes of the recovery effort.

Congress specified that the plan must include the following sectors: housing; economic issues; health and social services; natural and cultural resources; governance and civic institutions; electric power systems and grid restoration; environmental issues; and other infrastructure systems. In addition, the legislation calls for the plan to be based on an assessment of the damage.

Federal Agencies Coordinating Disaster Recovery Under the National Disaster Recovery Framework

The RSFs are organized into the following six functional components, each coordinated by a federal agency (shown in parentheses):

- Community Planning and Capacity Building (DHS/FEMA)
- Economic Recovery (U.S. Department of Commerce)
- Health and Social Services (U.S. Department of Health and Human Services)
- Housing (U.S. Department of Housing and Urban Development)
- Infrastructure Systems (U.S. Army Corps of Engineers)
- Natural and Cultural Resources (U.S. Department of the Interior)

PRIORITIES

These are the most-immediate key priorities for Puerto Rico in the short term (1 to 2 years):

1. **Reestablish lifeline systems** to provide reliable energy, water, communications, and transportation.
2. **Improve emergency preparedness** infrastructure and develop the government workforce so that all residents and businesses are better prepared in advance of a future disaster.
3. **Clarify ownership and responsibility** for various infrastructure, assets, and services so that repairs can be completed efficiently, and rebuilding reduces risk.

In the longer-term (3 to 10 years), the key priorities for Puerto Rico's recovery are to:

1. **Stem outmigration from the Island and encourage economic growth** by lowering the costs of doing business, incentivizing formal workforce participation, broadening the tax base, and increasing fiscal discipline.
2. **Revitalize urban centers** to focus economic recovery efforts.
3. **Scale social services, health, education, and infrastructure systems** to meet the health, social, and economic needs of the current and future population.
4. **Rebuild infrastructure to meet modern codes and standards**, and enforce the laws and regulations governing construction, water supply connections, and electricity metering.
5. **Establish modern methods for providing both the public and private sectors timely, accurate, and comprehensive information** to make effective decisions about recovery and day-to-day operations.

CAPITAL INVESTMENT

The Government of Puerto Rico is focusing on nine areas of physical, natural, and human **capital investments** of approximately \$118 billion (80 percent for upfront costs and 20 percent for operations and maintenance costs over an 11-year period from 2018–2028):

1. restore and strengthen
 - a. the four lifeline systems
 - i. energy
 - ii. communications
 - iii. water
 - iv. transportation
 - b. housing
 - c. public buildings
 - d. health
 - e. education
 - f. natural environment.

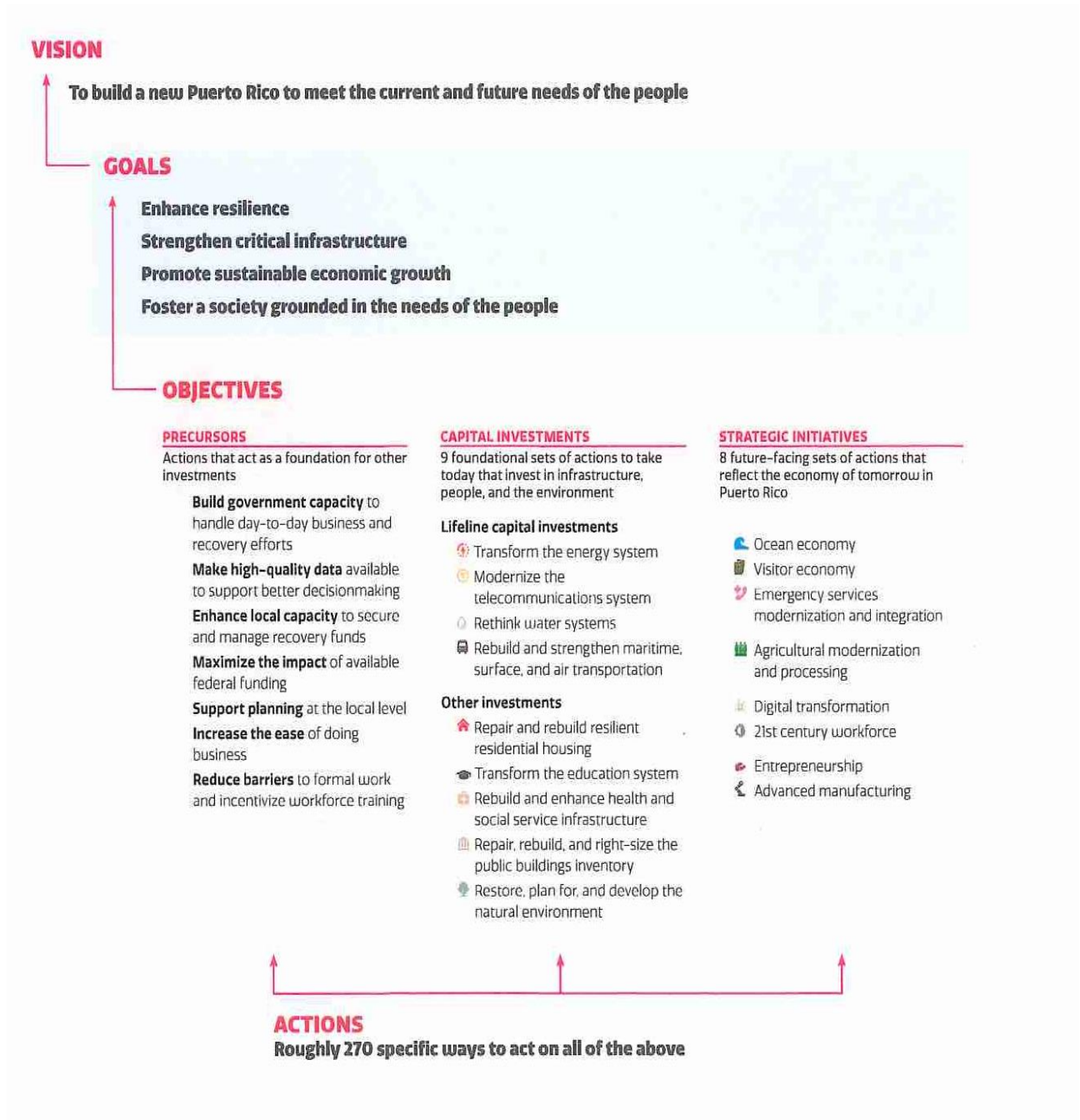
STRATEGIC INITIATIVES

Building upon these capital investments, there were identified eight (8) **strategic initiatives** that capitalize on Puerto Rico's unique assets and strengths:

1. to build the ocean economy
2. to build the visitor economy
3. modernize and integrate emergency services;
4. modernize agriculture;
5. transform digital capabilities;
6. **develop a world-class workforce;**
7. increase opportunities for entrepreneurship

8. increase opportunities for public-private partnerships.

The figure below illustrates the key elements of *Transformation and Innovation in the Wake of Devastation: An Economic and Disaster Recovery Plan for Puerto Rico*.



OBJECTIVES

1. **PRECURSORS** - Actions that act as a foundation for other investments
 - a. **Build government capacity** to handle day-to-day business and recovery efforts
 - b. **Make high-quality data** available to support better decision making
 - c. **Enhance local capacity** to secure and manage recovery funds
 - d. **Maximize the impact** of available federal funding
 - e. **Support planning** at the local level
 - f. **Increase the ease** of doing business
 - g. **Reduce barriers** to formal work and incentivize workforce training
2. **CAPITAL INVESTMENTS –nine (9)** foundational sets of actions to take today that invest in infrastructure, people, and the environment
 - a. **Lifeline capital investments**
 - i. Transform the energy system
 - ii. Modernize the telecommunications system
 - iii. Rethink water systems
 - iv. Rebuild and strengthen maritime, surface, and air transportation
 - b. **Other investments**
 - i. Repair and rebuild resilient residential housing
 - ii. Transform the education system
 - iii. Rebuild and enhance health and social service infrastructure
 - iv. Repair, rebuild, and right-size the public buildings inventory
 - v. Restore, plan for, and develop the natural environment
3. **STRATEGIC INITIATIVES – eight (8)** future-facing sets of actions that reflect the economy of tomorrow in Puerto Rico
 - a. Ocean economy
 - b. visitor economy
 - c. Emergency services modernization and integration
 - d. Agricultural modernization and processing
 - e. Digital transformation
 - f. 21st century workforce
 - g. Entrepreneurship
 - h. Advanced manufacturing

START WITH A STRONG FOUNDATION

Consistent with these elements of community resilience, the Government of Puerto Rico has identified several specific actions that are critical to the success of its vision and should be prioritized for investment. These actions are precursors—actions that should come first because they provide critical support to ensure the success for all of the priorities discussed later in the plan. These precursors are:

1. **Build community resilience, modernize infrastructure, and restore the environment Focus on the future**
2. **Make high-quality data available to support better decision making**
 - a. Such efforts will require
 - i. maintaining transparent property records and tax rolls and enforcing property rights to ease transaction burdens in property markets
 - ii. presenting timely, audited financial reports
 - iii. improving the process of collecting and storing basic economic information, such as gross domestic product/gross national product and tourism satellite accounts (an economic measure of tourism)
 - iv. providing information about public-sector policies and programs to interested parties
 - v. compiling and maintaining inventories of public buildings, and
 - vi. gaining a better understanding of how to facilitate system-wide infrastructure-related decision making.
3. **Enhance local capacity to secure and manage recovery funds**
4. **Maximize the impact of available federal funding**
5. **Support planning at the local level**
 - a. Municipal and regional economic plans will need to assess available local workforces, provide additional education and training where needed, and identify infrastructure needed to support industry locally
6. **Increase the ease of doing business**
 - a. As noted in a recent World Bank Group report (*World Bank Group, Doing Business 2018: Reforming to Create Jobs. Economy Profile: Puerto Rico [U.S.]*), financial and non-financial costs of doing business (i.e., transaction costs) are relatively high in Puerto Rico.
 - b. Policy actions aimed at decreasing the costs of doing business are consistent with both the Governors proposed *New Fiscal Plan* and the *Certified Fiscal Plan* (certified by the FOMB).
7. **Reduce barriers to formal work and incentivize workforce training**
 - a. Training programs can help new or returning workers develop in-demand skills, lowering barriers to workforce (re)entry and reducing dependence on the public sector for income. Standing up a workforce development system in high demand occupations across multiple sectors, especially for vulnerable populations, would increase the supply of available talent, increase income for the trained individuals, fill jobs, and improve efficiencies in the delivery of education and training

ACTIONS

A wide selection of potential courses of action designed to address these short- and long-term priorities are described within the rest of this recovery plan. These actions

span multiple sectors and are interconnected. Roughly 270 specific recovery actions have been linked with these capital investments and strategic initiatives.

- Precursor Actions - actions that must come first because they provide critical support to ensure the success of all other actions—these are the precursor actions (“Start with a Strong Foundation” section),
- Capital investments- support social and economic growth,
- Strategic initiatives - build on the precursor of capital actions and capitalize on unique assets or fill critical gaps for Puerto Rico.

Developing the Plan

The plan was developed over the course of three dynamic and - given the urgency - overlapping phases:

1. Identifying damage, needs, and priorities for recovery
2. Identifying potential courses of actions (and their related costs)
3. Aligning the plan objectives and courses of action and identifying funding sources.

Short-term needs

- Reestablishing power, communications, and water utilities across Puerto Rico remains a priority. While reliable power, communications, and water are important to the economy, they are crucial to giving Puerto Ricans a sense of normalcy,
- Rebuilding or repairing the approximately 166,000 residential structures that were either damaged or destroyed during the hurricanes remains a key priority in the short-term
- Is critical for Puerto Rico to address a number of gaps in the emergency preparedness infrastructure so that all residents and businesses are protected in a future disaster.
- The need to rethink how services are delivered—including creating regional structures—to improve efficiency, reduce costs, and improve the lives of citizens. This reorganization is needed to respond to future disasters and streamline service delivery

Longer-term needs

- Based on this analysis, policies related to the following broad areas should be considered in order to encourage growth:

- Increase the attractiveness of doing business in Puerto Rico by lowering the costs of doing business, including both financial and non-financial costs, and stemming the flow of outmigration
 - Increase the formal labor force participation rate by reducing or removing disincentives for formal work
 - Broaden the tax base and increase the fiscal and economic resilience of Puerto Rico through a flattening of the tax structure and lower dependence on particular tax exemptions • Increase fiscal discipline to ensure a sustainable and rightsized public sector.
- **Municipal priorities for economic development and recovery**
 - Invest in rebuilding and upgrading key infrastructure, including electric power, water and wastewater, communications, and transportation
 - Incentivize large manufacturers to stay in Puerto Rico
 - Reduce labor shortages by both incentivizing workers to stay in Puerto Rico and allowing businesses (particularly agribusinesses) to bring in foreign workers on temporary visas
 - Involve municipal authorities in identifying priorities for their region
 - Adjudicate the authority for planning and implementation of development projects to municipal authorities
 - Expand investment in projects related to the visitor economy and tourism to all municipalities in Puerto Rico—not just the traditional hotspots.
 - **Social service, health, education, and infrastructure systems must be scaled for the current and future population**
 - Developing infrastructure that meets 21st-century standards will make Puerto Rico more attractive to businesses, potential immigrants, and returning residents, and will improve the tax base.
 - **Building-permit and code-enforcement gaps reduce the effectiveness of utilities and perpetuate activity in the informal sector**
 - Both the public and private sectors require timely, accurate, and comprehensive information to make effective strategic decisions regarding both recovery and day to-day operations.

PUERTO RICO'S OPPORTUNITY

Investing to promote disaster recovery and enduring economic recovery

Key set of foundational actions—increasing the ease of doing business in Puerto Rico, strengthening government capacity in day to- day service provision as well as during disasters, making available high-quality data to guide decision making and support transparent governance, and promoting formal work and workforce training—need to be in place to support and sustain any recovery investments.

To achieve Puerto Rico’s vision, capital investments are also needed in three critical areas.

1. First, physical infrastructure must be rebuilt to provide the services that people, businesses, and communities need to thrive.
2. Second, human capital—a healthy, educated, and trained workforce—is critical to improving economic growth, giving residents greater opportunities, and reducing inequities. Investments must be made to develop a skilled workforce that is prepared to meet today’s challenges but flexible enough to adjust to tomorrow’s opportunities.
3. Finally, investments in natural capital are necessary to protect communities and businesses from disasters and to provide food, fiber, and fuel; habitat for native species; and recreational and tourism opportunities.

CAPITAL INVESTMENTS

The nine capital investment priorities described in this plan are intended to build a smarter, stronger Puerto Rico and provide the foundation for economic growth. These investments restore and enhance physical, human, and natural capital.

1. ENERGY

Transform the energy

Customer-centric, affordable, reliable, and scalable electricity that incorporates more renewables, microgrids, and distributed energy resources and can drive new businesses and employment opportunities and support residents’ well-being. The bold and needed action of PREPA restructuring and privatization will be the platform for a once-in-a-generation opportunity.

Ongoing activities and analysis that will clarify the pathway and enable sound decision making are well-underway and include, without limitation:

- Development of the 2018 PREPA Integrated Resource Plan (IRP) and other planning within PREPA
- Extensive modeling and analysis by U.S. Department of Energy National Laboratories, coordinated by U.S. DOE Headquarters and shared with PREPA
- Supporting modeling and analysis undertaken to support the development of this plan, including development of sophisticated power grid models by experts at MIT/MIT-Lincoln Labs
- Modeling and analysis of future visions for the electricity grid by faculty at the University of Puerto Rico and their collaborators

The descriptions below are intended to provide an illustration of the complexity and range of choices that remain to be made:

1. Foundational requirements for the health of the energy Sector

- a. the grid will need to be rebuilt and maintained to adhere to industry best practices
 - b. Operations and maintenance will need to be performed routinely and based on periodic risk assessments
 - c. the roles and responsibilities of Government of Puerto Rico agencies in the energy sector will need to be clarified.
 - d. The workforce will need to be right-sized, new workers trained, and existing personnel retrained
2. Improve, harden, and maintain electricity infrastructure
 3. Design, build, and maintain an electricity system with “islandable” portions of the grid
 4. Diversify energy sources to reduce reliance on imported fuel
 5. Enhance the emergency preparedness and response of the energy system
 6. Enable economic growth in a stable governance structure

2. TRANSPORTATION

Rebuild and strengthen maritime, surface, and air transportation

A flexible and reliable transportation system that moves people and goods to ensure economic continuity and facilitate disaster response. The Government of Puerto Rico intends to seize this chance to develop a more robust multi-modal (surface, maritime, and air) transportation sector that is well-maintained, safe, efficient, and resilient to future disasters.

1. Upgrade ports and consolidate ownership to improve emergency response and attract new maritime business
2. Prioritize repairs to roads and bridges, and extend three key highways
3. Develop new mobility options to supplement improvements to bus service
4. Upgrade San Juan and Aguadilla airports to boost resilience and Porta del Sol tourism

3. WATER

Rethink water systems

The Government of Puerto Rico has an opportunity to redesign its water systems to be more reliable, safer, and more resilient in the face of future disasters, climate and population related stressors, and extreme weather.

1. Diversify energy sources, enhance emergency protocols, and harden water infrastructure to keep services flowing during disasters

2. Improve fiscal planning and asset management to enhance PRASA's sustainability and service
3. Make PRASA's drinking water service more efficient and reliable
4. Build PRASA's wastewater systems for the future, and educate residents to help keep them clean
5. Improve safety and reliability of non-PRASA drinking water and wastewater systems
6. Develop water supply sources that are sustainable and safeguarded from contamination
7. Improve stormwater systems to reduce urban flooding and contaminated runoff
8. Make flood control infrastructure and management more resilient to current and future events

Use outreach to improve conservation and emergency preparedness, and engage the public in developing creative approaches and innovative projects

Rethink water systems to be more efficient, reliable, and protected from future disasters.

4. TELECOMM/IT

Modernize the telecommunications system

Fast, reliable and resilient residential, commercial, and emergency communications that drive Puerto Rico's economy, prosperity, and well-being. Puerto Rico's communications infrastructure has been in a fragile state for some time, creating challenges for both day-to-day operations and when disasters happen.

1. Strengthen emergency communications systems to facilitate quick and effective disaster response
2. Create and sustain a robust and resilient communications infrastructure, including widely available broadband Internet
3. Establish governance structures to support and monitor changing infrastructure

Take advantage of improved access to broadband services and information technology for the betterment of Puerto Rico.

5. PUBLIC BUILDINGS

Repair, rebuild, and right-size public buildings inventory

Stronger and more resilient public buildings that meet today's standards, mitigate against future disasters, represent innovative designs, and meet communities' needs. The vision for Puerto Rico's public building sector is to not only repair and maintain buildings but also to right-size and redesign buildings to support new ways of providing public services and increase their resilience to disaster. This effort includes

repurposing, reallocating, and refurbishing buildings to meet population needs and economic conditions. To make this sector more efficient, ownership will be realigned, and new systems will make managing them more efficient.

1. Create a comprehensive inventory of buildings to improve how they are managed
2. Repair and retrofit public buildings to be resilient
3. Rebuild with state-of-the-art standards in mind
4. Right-size the number of public buildings
5. Repurpose structures and realign ownership
6. Evaluate externalization of PRIDCO

6. HOUSING

Repair and rebuild resilient residential housing and commercial properties Transform the education system

Safe, secure, and affordable residential housing to create a better built environment. Puerto Rico has a clear vision for its housing sector: provide residents with safe, secure, and affordable places to live; retrofit homes to make them less vulnerable to damage; relocate households that live in the most dangerous areas; increase insurance coverage in order to help rebuild structures in the event of disaster; and clarify ownership records to bring the informal housing into the formal sector, which would facilitate government service delivery and collection of property taxes.

1. Make buildings safe, secure, and affordable for residents
2. Restructuring the housing sector

7. HEALTH AND WELLBEING

Rebuild and enhance health and social services infrastructure and regional health networks

Rebuild and enhance the health and social service infrastructure and regional health networks to ensure reliable and equitable access and health-promoting communities, including an efficient and effective response in the event of public health crises, disease

outbreaks, and other future disasters.

1. Strengthen supportive services
2. Create healthy communities

8. EDUCATION

TRANSFORM THE EDUCATION SYSTEM

Competitive graduates with knowledge and skills needed to adapt to changes in the economy, environment, and technology. Education is a cornerstone of Puerto Rico's economy, society, and political systems. Its purpose is to build and sustain the knowledge and skills needed to ensure that individuals, communities and key institutions can adapt to changes in the world economy, the environment, and technology.

The Government of Puerto Rico now has the opportunity to fundamentally transform its education system in a way that improves student outcomes, supports the development of children, youth and adults, and supports its vision of economic and social development moving forward.

1. Upgrade school infrastructure to support resilience and sustainability
2. Increase K–12 access to vocational, technical, and career education and strengthen school-to-work transitions
3. Promote pre-school and out-of-school learning opportunities
4. Strengthen systems to support new education reform package

9. NATURAL ENVIRONMENT

Restore, plan for, and develop the natural environment

Marine and terrestrial ecosystems that coexist sustainably with tourism and economic development of Puerto Rico and protect against storm damage Puerto Rico's range of coasts, forests, waterways, and diverse endemic species are important assets both for economic development and for the well-being of its citizens and visitors.

Damage to coastal resources such as corals and seagrasses, and forests was severe, and landslides and resulting debris blocked roads, threatened infrastructure, and public safety. The waste and debris from the disaster cleanup effort is going to landfills, many of which were already out of capacity or compliance before the hurricanes, or to illegal open dumps. The Government of Puerto Rico plans to develop and implement strategies to create healthy, resilient, Island-wide ecosystems that support its people, infrastructure, and economy.

1. Implement green infrastructure solutions
2. Comprehensively manage waste to protect human health and safety

STRATEGIC INITIATIVES

The initiatives comprise crosscutting actions that create an ecosystem of investable projects, supportive policy, accessible and sustainable resources, and a clearly defined direction. Eight objectives guide the strategic initiatives selected by the Governor to promote the transformational vision for social and economic progress. Strategic initiatives are sets of actions aimed at driving Puerto Rico's future in specific ways consistent with the government vision. The strategic initiatives build on the robust infrastructure recovery made possible by the capital investments, with specific projects and programs designed to move beyond the recovery precursors and investments in capital assets and toward social and economic growth in the long run.

Five strategic initiatives reflect clearly defined and strategic initiatives that are crosscutting— building resilience, improving society, and growing the economy:

1. **Visitor Economy** | Develop a strong visitor economy to help position Puerto Rico as a global destination of investment, production, and wealth
2. **Ocean Economy** | Integrate and promote all of Puerto Rico's ocean-dependent industries and ecosystems as a cohesive effort to promote economic growth and improve quality of life for residents and enhance the visitor's experience
3. **Digital Transformation** | Build digital capabilities and workforce needed to fundamentally transform key industry and government process, making them more user-focused, relevant, and efficient at addressing local needs and delivering basic services
4. **Emergency Services Modernization and Integration** | Enhance public safety and first responders' ability to deliver reliable, integrated emergency services
5. **Agricultural Modernization and Processing** | Modernize agriculture to promote greater productivity and output and improve exports

Three strategic initiatives are much broader and generally reflect aspirational directions for Puerto Rico's future that in many cases are reflected within the more crosscutting strategic initiatives:

6. **21st Century Workforce** | Develop and protect human capital to establish a world class workforce, increase labor force flexibility, and create high-quality employment opportunities aligned with economic growth strategies
Develop and protect human capital to establish a world-class workforce, increase labor force flexibility, and create high-quality employment opportunities aligned with economic growth strategies

Developing a modern workforce imbued with 21st century skills requires a world-class K-12 and higher education system that is equitable, efficient, and better-integrated with the demands of the labor market and needs of businesses.

Specific activities should support increasing the number, diversity, and quality of educational, vocational, and training opportunities, with a focus on sector-based models. Activities include the development of:

1. flexible and worker-centered career pathways;
2. flexible pedagogical approaches, such as online, brick-and-mortar, and hybrid classrooms;
3. curriculum and standards that incorporate hands-on, project-based, student-centered learning;
4. public-private/business partnerships;
5. job portals to match job opportunities with workers;
6. career and technical education centers to complement vocational education;
7. stackable credential models; and (8) on-the-job learning opportunities.

A 21st century workforce system, which builds on the capital investments in education, will be needed to address the short-term employment needs of the currently unemployed and underemployed in Puerto Rico, especially vulnerable populations (e.g., youth, women, veterans) and “middle skill” workers with some postsecondary training, to fill positions in high-demand industries (e.g., healthcare, construction, energy, and information technology).

7. Entrepreneurship | Expand opportunities for entrepreneurship and development of small to medium local business that can compete globally to promote economic development

Business incubators can be used to support new business and industrial development, and educational and vocational programs are needed to support the workforce. This effort is also supported by directly investing in small to medium-sized local businesses and reducing barriers and red tape (e.g., by streamlining the permitting process for communications technologies). Also valuable is a system that provides statistics, information, and data needed to establish plans, strategies, and actions based on market studies, financing options, and economic projections. Micro-financing is one way of raising capital for startup businesses.

8. Advanced Manufacturing | Address policy and structural barriers to increase opportunities for investment and the growth of private/public partnerships

This initiative is intended to address the declining manufacturing capability within Puerto Rico by supporting entrepreneurial startups to make the shift to larger-scale production and to develop and employ more-advanced approaches and techniques (e.g., vertical integration, intellectual property creation).

In addition, joining the National Network for Manufacturing Innovation (also known as “Manufacturing USA”) would provide access to their 14 institutes, each of which is focused on bringing together capabilities in a specialized technology area to address challenges in advanced manufacturing.

ESTIMATED COSTS AND FUNDING FOR PUERTO RICO’S RECOVERY

Funding Puerto Rico’s economic and disaster recovery will require substantial resources—total costs are estimated at approximately \$139 billion for the capital investments and strategic initiatives described in this plan. They include both initial costs (e.g., construction investment) and future costs (e.g., operations and maintenance) over the 11-year period. Although resources will be needed to undertake recovery efforts, at this stage of recovery planning, it is not possible to precisely identify what specific funding sources will be used to meet the costs of each course of action. First, the total amount of each funding source that will be available is not now known. In addition, funding programs have specific eligibility requirements.

The Disaster Relief Fund are expecting to be the Congressional Supplemental Appropriations; steady-state federal programs; and nongovernment sources such as private insurance claims, philanthropic private and corporate foundations, and venture capital. Eight categories of resources, six of which involve U.S. government (USG) aid, are potentially available. These are:

Funds from the Disaster Relief Fund (DRF), as provided for in the Stafford Act

1. Individual Assistance (IA) grants for immediate relief and assistance to individuals and households. The recovery plan only considers Housing Assistance as a recovery funding source, not Other Needs Assistance.
2. Public Assistance (PA) grants for repairing, restoring, and replacing facilities damaged by the disaster. The recovery plan only considers Permanent Work (Categories C–G) as a recovery funding source, not Categories A–B. Section 406 hazard mitigation funds are part of PA.
3. Hazard Mitigation Grant Program (HMGP) grants to reduce the hazard risk of damage, hardship, loss, or suffering from future disasters.

Funds specifically appropriated for disaster relief and recovery in Congressional Supplemental Appropriations

4. Community Development Block Grant–Disaster Relief (CDBG-DR) funding. Administered by HUD, this is the largest of the individual appropriations, and nearly \$20 billion has already been directed to Puerto Rico’s recovery effort. CDBG-DR funding does not require recipients to provide a nonfederal matching contribution. In fact, once the funds have been awarded to a state or territory, they can be used as “non-federal” matching contributions for other federal grants.
5. Other appropriations administered by a wide variety of USG departments and agencies.

Steady-state federal programs funded via normal annual program budgets

6. These programs fund authorized federal programs that existed before the disaster and are ongoing. Most of this funding will continue to go toward previously identified needs and priorities; however, some programs allow funds to be re-programmed for recovery needs.

Non-USG sources

7. Private insurance proceeds will be available to support some recovery.
8. Private philanthropic and volunteer groups are already contributing to the Puerto Rico recovery, and additional funding may also be available from sources such as philanthropic private and corporate foundations, as well as public/private partnerships. Venture capital is another potential source, which would only be available if the investors expected a market rate of return on the investments.

The Governor of Puerto Rico, Ricardo Rosselló, through the OCRR, submitted to the US Congress the Plan, with 139,000 million dollars in projects for reconstruction. The 139,000 million are divided in the following breakdown: 33,000 million are for housing reconstruction; 30,000 million for improve the water distribution system; 26,000 million for improve the power system; 15,000 million for education; 8,400 million for transportation; 6,300 million for health; 6,300 million for booth economy initiatives and 5,800 million for public buildings. The budget also have 3,900 million for environment initiatives, 3,200 million for communications, 59 million for planning and 19 million for the municipalities.

INTEGRATED ECONOMIC DEVELOPMENT PLAN DEPARTMENT OF ECONOMIC DEVELOPMENT AND COMMERCE

The Department of Economic Development and Commerce (DEDC) serves as the umbrella entity for key economic development agencies in Puerto Rico. Created in 1994, the DEDC is at the leading edge of Governor' s policy of taking the most out of Puerto Rico's fiscal autonomy as a tool for promoting local and foreign investment. This vision allows for the creation of thousands of jobs in manufacturing, aerospace, telecommunications and information technology, engineering services, scientific research and others.

To achieve these strategic goals, the DEDC is working on initiatives that:

- Create new tax and economic incentives for high technology industries as well as start-ups and locally owned businesses.
- Improve Puerto Rico's regulatory and structural framework in order to enhance its competitiveness as a destination for investment and the production of high-value goods and services.
- Establish regional centers, or "poles," of economic activity throughout the island.

- Grow critical sectors, including manufacturing, tourism, commerce and exportation, film and visual arts, banking and insurance

Puerto Rico Economic Background

The evolution of the Economy of Puerto Rico in the Past 50 Years shows that PR moved from an agrarian economy in the 1960's, with the production of sugar cane and tabaco, to an industrial economy targeting petro-chemical, electronics, needle and textiles manufacturing, in the period from 1970's until 2000. The 21 century and the globalization launch the economy transformation to advanced manufacturing, service and knowledge economics, in industries like advance pharmaceuticals, medical devices, biotechnology, food, export services, etc. Beyond the 2000's the PR economy are moving to the aerospace industry. The following section shows a summary the PR economic development plan, including the economic approach for the future of PR.

Comparative Analysis of the Economic Models of Puerto Rico

1940 -1996

- Federal incentives, cheap labor, preferential access to continental US markets, and low utility costs as major tools to attract foreign investment
- First the textile industries, then the petro-chemical, and then the pharmaceutical industries - all depended on importing almost 100% of the raw material
- High dependence of manufacturing activity from foreign companies - little diversified economy; Local business class far below its potential; Tourism and agriculture with little impact on the economy
- Most tax incentives and subsidies are granted to large foreign companies
- Import and export depend mainly on foreign companies

1996 – Present

- Our greatest competitive advantage = Tax Incentives Second competitive advantage = skilled, educated and bilingual labor force; Third = geographical location; Fourth = American legal system
- High dependence on manufacturing activity by foreign companies with a slightly more diversified economy (ex. finance, banking, professional services and insurance) - agriculture and tourism with little impact on the economy; Innovation and entrepreneurship far below their potential
- Tax Incentives (+ zero federal income taxes - Section 933 Federal Internal Revenue Code) as the main and only tool to attract foreign investment. This is due to the loss of the 936 incentives. US Free Trade Agreements with other countries affected PR preferential access to the North American market.
- Most of the contributory incentives and subsidies are granted to large foreign companies
- Import and export depend mainly on foreign companies

Puerto Rico Economy World Rating

	Rating
Ease of Doing Business	55
Starting a Business	51
Dealing with Construction Permits	131
Getting Electricity	65
Getting Credit	7
Paying Taxes	135
Trading across Borders	62

Source: The World Bank Group, Economy
Rankings 2017

Socioeconomic Development – Vision

The socioeconomic development vision foundation rely in five postulates that will launch the economic transformation: increase productivity; stability and equal representation with the other states; fiscal responsibility and transparency; targeting science, technology and innovation as the key elements for economic transformation and the development and protection of the human resource.

Graph 11

SOCIOECONOMIC DEVELOPMENT VISION



Productivity is necessary to compete in the global economy and **value added** is the activity that differentiates our products and services.

Stability and representativeness on an equal basis with the other States - necessary to reach our potential as a people.

Fiscal responsibility and **transparency** are fundamental to a healthy, effective, efficient and participative government.

Science, technology and **innovation** are critical for the modernization of our economy and our institutions.

The model is based on **the development and protection of the human resource**, including security, education, health and social services.



12

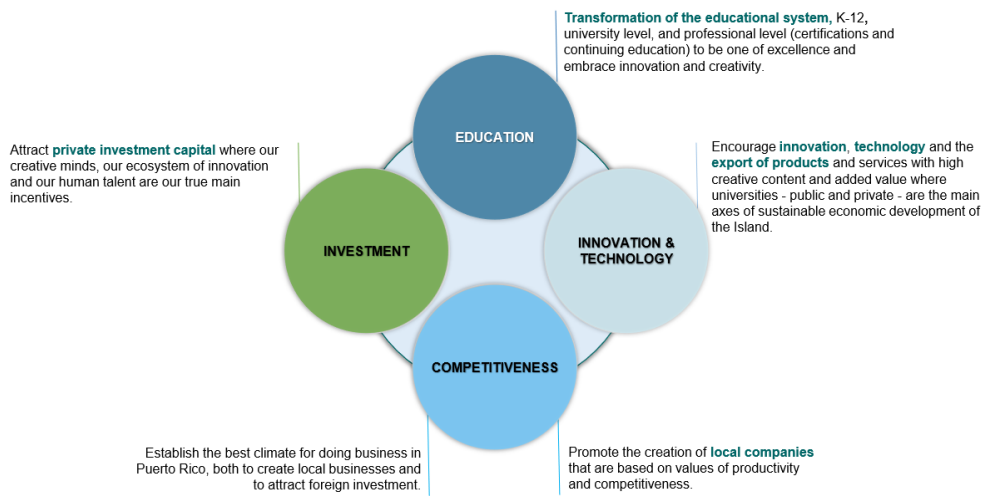
Main Components of Economic Development

We have to transform Puerto Rico's education to foster a maximum level of innovation & technology that enables us to be globally competitive and thus reach the desired level of local, national and foreign investment that allows the export of goods and services. Education: System Transformation and Skills Promotion. We believe that the education system is an essential component and is key for economic development, so we need to continually calibrate and align curricula and teaching methodologies to ensure that they address the needs of local and international industries, and that we help professionals in the work force to reinvent themselves, as they need.

Key Initiatives in Education

- 1 Puerto Rico Online Campus
- 2 Bilingualism: Key to Success
- 3 STREAM: Science, Technology, Reading, Engineering, Arts, and Mathematics
- 4 Re-focus of the University of Puerto Rico (UPR)
- 5 Internationalization of University education

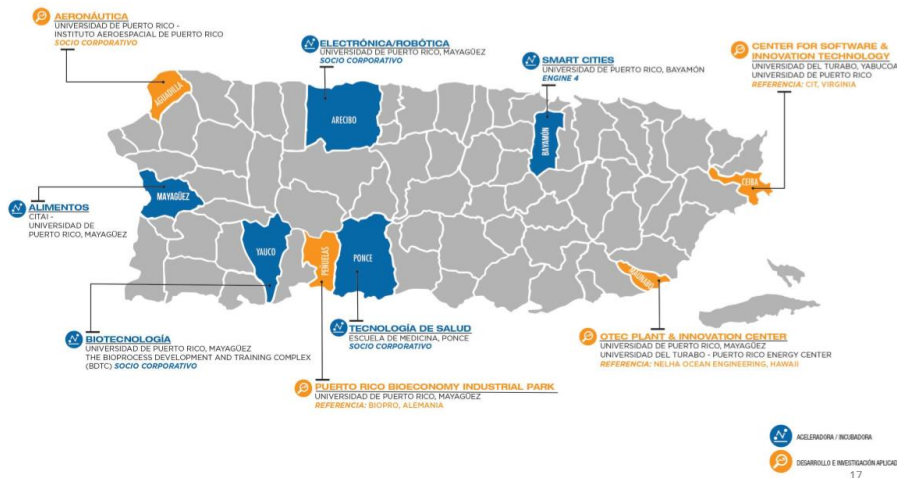
Graph 12
Main Components of Economic Development



Innovation: Solid Ecosystem for Entrepreneurship

In order to establish a healthy and sustainable ecosystem of innovation it is fundamental that the projects of entrepreneurship respond to the needs of the market. DDEC will provide Technical and Financial Assistance in areas like Market Needs; Applied Research; Incubators Startups; Accelerator Startups; Substitution of Imports of Goods and Services

Graph 13
Innovation; Economic Impulse Initiatives Pilot Projects



Competitiveness: Structural Reforms

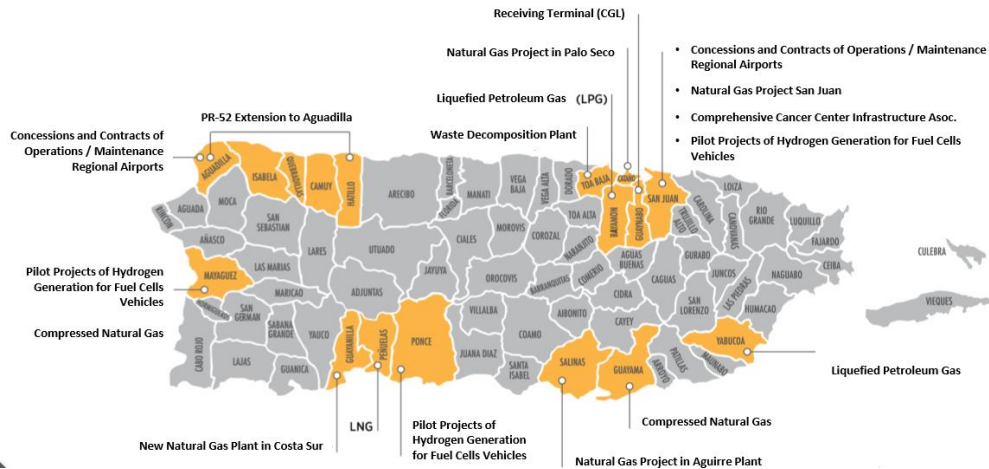
1. Structural Reforms: Labor Permits Tax Energy
2. Eliminate Requirement for Electronic Export Information (EEI) - Elimination of the federal requirement for export, achieving an equal treatment in order for transactions to and from the Island be more agile at a lower cost.

3. Culture of Transparency and Prevention of Corruption (FOIA) Public access to financial and operational information of the PR Government in a transparent manner to promote economic development.
4. Incentives Code
 - a. Consolidates and rationalizes all economic incentives in a single code.
 - b. Establishes a uniform process for granting incentives.
 - c. Focus the resources on the incentives with Return of Investment

Investment: Tools and Opportunities

- A. Federal Programs
 - a. New Market Tax Credits
 - b. EB-5 Program
 - c. Foreign Trade Zones
 - d. Insert PR in US treaties to avoid double taxation
- B. State Initiatives
 - a. Invest Puerto Rico
 - b. Destination Marketing Org. (DMO)
 - c. Incentives Code
 - d. Asset Map
 - e. Infrastructure Plan
- C. Investment Opportunities
 - a. Public Private Partnerships
 - b. Science City
 - c. Roosevelt Roads Redevelopment
 - d. Port of Las Americas

Graph 14 Investment Potencial Projects with Public Private Partnerships



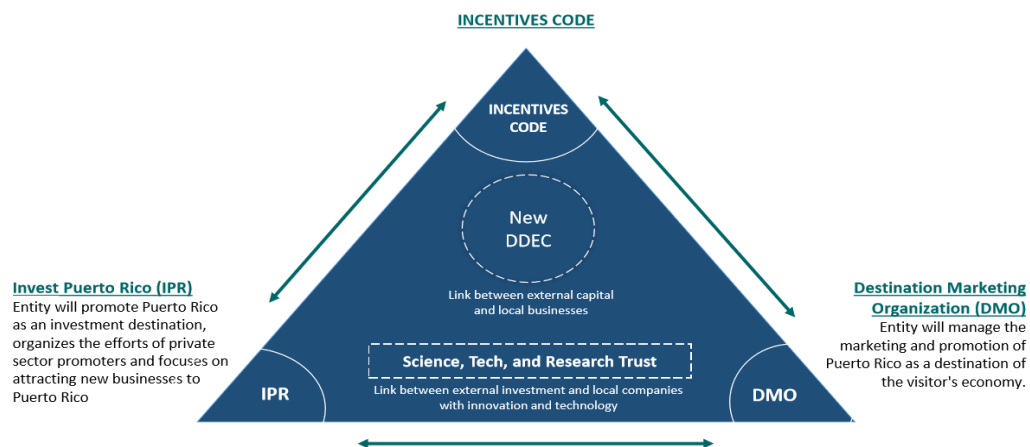
➤ **Over 50 renewable energy projects under the Puerto Rico Electric Power Authority (PREPA) evaluation**

Strategic Areas for Economic Development – framed in an approach change focused in Education, Innovation and Technology, Improve competitiveness and Capital Investment
The next breakdown shows the programmatic commitments of economic development by strategic area:

1. Advanced Manufacture
 - a. National Network of Manufacturing Innovation
 - b. Manufacturing USA
 - c. Select USA
 - d. Permanency of Section 199 of the Federal Internal Revenue Code
2. Emerging Industries
 - a. Industrial Hemp
 - b. Medicinal Cannabis
 - c. Impulse to Puerto Rican Cinema
 - d. Sharing Economy
 - e. Creative Economy
 - f. Thermal Ocean Energy and Deep-Water Industries
3. Export of Goods and Services
 - a. Maximize Export Services
 - b. Federal Contracting Center
 - c. Hub Zones
4. Aerospace
 - a. Aeronautics and Aerospace Institute of PR

5. Technology
 - a. Innovation and Technology Economic Impulse
 - b. Center for Software Development & Info Technology
6. Visitors Economy
 - a. Cultural Entrepreneurship
 - b. Medical tourism
 - c. Ecotourism Development
 - d. Sports Tourism
 - e. Districts of Tourist Interest
 - f. Cruise Industry
7. Bio Economy
8. Recycling of Used Oils and Community Businesses
 - a. Development of Raw Materials
 - b. Applied Research Center
 - c. Bio-Fuel Energy
 - d. Microalgae Energy Production

Graph 15
Investment Strategic Approach



SMEs: Programmatic Commitments for Economic Development

1. Innovative SMEs
 - a. Designation of 10% of the Special Fund for Economic Development (FEDE) to provide contributory incentives to SMEs that foster innovation in economic sectors.
2. Maletín Empresarial de la Mujer

- a. Program focused on supporting those Puerto Rican women who wish to develop in the business world mainly in the areas of technology and innovation.
3. Additional Initiatives
- a. Master Entrepreneurship
 - b. Business Intelligence and Entrepreneurship System
 - c. Entrepreneurship in Functional Diversity population
 - d. From School to Business
 - e. SME Food Sector

STRUCTURAL REFORM

- Act 1-2017 – The Participative Public Private Partnerships Act. Strengthens the P3 legal framework to facilitate critical infrastructure investments and improve public services.
- Act 2-2017 – The Puerto Rico Fiscal Agency and Financial Advisory Act. Creates the necessary legal framework to implement and comply with PROMESA and with the Government’s certified Fiscal Plan.
- Law 3-2017 – The Act to Attend Puerto Rico’s Fiscal, Budget and Economic Crisis and to Guarantee the Operation of Government of the Government. Allows for taking immediate emergency and cost cutting measures to reduce the Government’s operating expenses.
- Act 4-2017 – The Labor Transformation and Flexibility Act. Amends labor laws with the intention of improving labor market competitiveness, improving the labor participation rate, and halting the migration of citizens to external labor markets.
- Act 5-2017 – The Puerto Rico Financial Emergency and Fiscal Responsibility Act. Prioritizes essential services over debt payments and extends the emergency period for revenue claw backs to August 1, 2017 pursuant to Executive Order 2017-31.
- Act 8-2017 – The Act for the Administration and Transformation of Human Resources in Government. Allows for the transfer of workers across the Government to save \$100 million through mobility and attrition.
- Act 13-2017 – Enterprise Puerto Rico Act. Creates a not-for-profit corporation to promote the economic development of Puerto Rico, attract foreign direct investment and incentivize investments in technology in collaboration with the private sector.
- Act 17-2017 – Act to Promote Puerto Rico as a Destination. Enables the creation of a destination marketing organization (DMO).
- Act 18-2018 – Reforms, simplifies and expedites the permitting process in order to improve quality and efficiency in processing requests for all permits, licenses, inspections, complaints, certifications, consultations, or any other

authorization that affects in any way the operation of a business in Puerto Rico, including those issued by municipalities.

- Act 26-2017 – The Fiscal Plan Compliance Act. Levels out marginal benefits across the Government and its instrumentalities to generate \$130 million in savings, increases revenues, and expedites the process of asset disposition.
- Act 37-2017 – Reorganizes PREPA’s Board of Directors.
- Act 46-2017 – Extends the emergency period established by Act 5-2017.

Puerto Rico is Open for Business: New Amendments to Act 73-2008, Act 20-2012 and Act 22-2012 (Act No. 43, July 11, 2017)

A package of legislation, signed into law on July 11, 2017, provides new tax incentives with respect to service exports, individual investors, and economic development in Puerto Rico. The new legislative measures apply to taxes and tax rules under:

- Act 20-2012 (the law to promote the export of services)
- Act 22-2012 (the law to promote the relocation of individual investors)
- Act 73-2008 (economic incentives for the development of Puerto Rico)

The amendments were made to modify the incentive laws to be friendlier to outside investors, remedy some inconsistencies with U.S. federal law, and provide more flexibility and clarity to both entrepreneurs who want to do business in Puerto Rico and government officials responsible for administering and implementing the incentive laws.

Puerto Rico is Open for Business is a single business portal to help investors doing business in Puerto Rico just got easier. The Single Business Portal helps investors to navigate the ins and outs of getting project, offering information, documents, permits, and licenses – all in a streamlined and efficient tool.

The Single Business Portal, an easy-to-use resource with information and tools to investors navigate the process of starting a business in Puerto Rico, which include decrees, permits, and licenses new or current business and projects development may require. At the Single Business Portal, business can:

- Fill out and submit applications quickly and safely, for expedited processing
- Create digital files and the Unique Entrepreneur Profile
- Pay online and receive status and notifications via email
- Upload documents
- Download and print approved permits and decrees
- Review previous applications
- Send and receive messages from office staff
- Access important government decrees, exemptions and other official documents

New Amendment to Act 73-2008

New Eligible Service and Modifications to the Research and Development Tax Credit

The amendment adds a new eligibility activity under Act 73-2008. It defines as an eligible activity as any business that engages in scientific or industrial research and development to develop new products, improve existing products or develop new services or industrial processes through basic or applied experimentation. The term “research and development” is now clearly defined to include “any activity that is done with the intent to advance knowledge or the capacity in a science or field of study. It also includes grants, agreements, or any other funds from a government entity of the United States (but not Puerto Rico) as an eligible source for a tax-exempt business to claim as a “special eligible investment” for research and development in the calculation of the tax credit. It also gives authority to the Secretary of DDEC to grant a fixed tax rate higher than 4% if the grantee under Act 73-2008 requests it.

The Incentives Act for the Retention and Return of Medical Professionals, Act No. 14-2017, February 21, 2017

The purpose of the Act is to guarantee accessible and quality health services for all the residents of Puerto Rico; and offer an attractive tax incentives proposal for the medical professionals to stay in Puerto Rico, and at the same time, attract the setup of other professionals’ medical practice in Puerto Rico. A Qualified Physician that requests and obtains a Tax Exemption Grant under the Act, will enjoy the following tax incentives for an initial term of 15 years:

- A 4% fixed income tax rate on Eligible Income (defined below) generated as a result of offering his/her Professional Medical Services (defined below);
- 100% exemption (including Alternative Minimum Tax (“AMT”)) on up to \$250,000 received from Eligible Dividends (defined below), per year; and
- Eligibility to contribute up to 25% of the net income to individual retirement plans (Keogh) or up to 25% of their salary in case of corporate retirement plans, as after tax contributions.

The Qualified Physician can request an extension of the Grant for an additional 15 years, if he/she can demonstrate that said extension is in the economic benefit of Puerto Rico.

Some of the considerations that will be taken into consideration to the granting of the incentives included:

- Economic impact of approving the incentives;
- Specialty or sub-specialty that the Qualified Physician holds or if he/she is an accredited residency program;
- If there is a shortage of doctors with the Qualified Physician specialty and/or sub-specialty currently providing their services in Puerto Rico;
- The geographic areas in which the Qualified Physician is providing the services; and

- In the case of general practitioners, special consideration will be taken to (i) the geographic area in which their services are being provided; and (ii) DSPR's evaluation of the sufficiency of general practitioners in that area.

Incentives for science and technology PYMEs

The Economic Development and Commerce Department (DDEC by its Spanish acronym) has assigned a financial incentive for small and midsize enterprises (PYMEs by its acronym in Spanish) with business models based on science and technology. The Puerto Rico Industrial Development Co. (PRIDCO) will grant up to \$100,000 per company to operate, market and export their innovations. Small and midsize companies are vital for the economic development of Puerto Rico, especially during the island's recovery phase after Hurricane Maria. This incentive will help in the development of these companies in the production of good for exportation and local commercialization. The incentive comes from the Special Fund for Economic Development (FEDE by its Spanish acronym) and will be disbursed in accordance with the needs established in the entrepreneur business plan.

Law to Improve the Study, Development, and Research of Cannabis for Innovation, Applicable Norms and Limits (MEDICINAL Law 42-2017).

- Puerto Rico has become the latest part of the United States to legalize the medicinal use of cannabis.
- This advanced legislation recognizes medical cannabis as an alternative medical treatment, while maintaining all safeguards to protect the general public.
- It establishes a legal framework for medical cannabis and paves the way for people with cancer and other conditions to avoid prosecution for possession of cannabis and products derived from it. Medical marijuana is legally used in Puerto Rico to address more than a dozen conditions, including Alzheimer's, cancer, Lou Gehrig's disease, Parkinson's, rheumatoid arthritis, Crohn's disease, epilepsy and more.
- Since its regulation in late 2015, over one hundred companies—many of which are Puerto Rican, but also including some foreign enterprises—have applied for licenses to grow, manufacture, and dispense cannabis for medical purposes, including investments that are calculated at hundreds of millions of dollars.

Start-up of the Ponce's Port of the Americas

- First mooted as far back as 2004, Ponce's Port of the Americas has long been a white elephant among mega container hub schemes in the Caribbean.
- The Port of the Americas is located in the city of Ponce on the southern coast of Puerto Rico, along the Caribbean Sea. Ponce is the island's second largest city by population. Designed and built to be a modern, state-of-the-art, containerized import/export and transshipment cargo facility, the Port currently features:
 - The capacity to serve Panamax and Post-Panamax vessels

- A modern Post-Panamax berth with a 50-ft. (15.24-meter) berth
- Two Super Post Panamax ship-to-shore cranes
- A new container yard with a capacity of up to 500,000 Twenty-Foot Equivalent Units (TEUs) per year
- Over 300 acres of government-controlled land, occupied by the Port and by areas designated for future development
- A nearby Regional Distribution Center consisting of 5 modern buildings with a total of 532,343.17 square feet.
- The port is a container terminal concept, with a clear value-added dimension.
- Through the Puerto Rico Tourism Company, the port is intended to increase the arrivals of cruise ships to Ponce, the second city in PR, regarding the tourism destiny.
- The short-to-mid-term perspective for Port of Ponce, is further developing it as a regional transshipment center in the Caribbean

Export Services Act (Act 20)

The Export Services Act of 2012 or Act 20 was established and intended to promote the exportation of services, by providing the appropriate environment and opportunities to make Puerto Rico a center for international services. In order to do so, the Act is focused on encouraging local service providers to expand their businesses by offering their services to clients located outside the Island. Also, it aims to convince foreign services providers to move their businesses to Puerto Rico.

Act 20 offers a four (4)% corporate tax rate for Puerto Rican businesses providing services for exportation, 100% tax-exempt dividends from earnings and profits derived from the export services income of eligible businesses, and a 60% exemption on municipal taxes.

Since there are special rules provided for the year of the move from the United States to Puerto Rico, investors are encouraged to follow them closely in order to take full advantage of the new laws and its benefits. The Act 20 offers: 4% corporate tax rate; 100% tax-exempt dividends; 60% exemption on municipal taxes; 20-year decree guaranteeing these rates and No federal taxes on Puerto Rico source income.

Individuals Investors Tax Act of 2012 (ACT 22)

The Individuals Investors Tax Act of 2012 or Act 22 was established to promote the relocation of individual investors to Puerto Rico, in order to attract new residents to the Island by providing a total exemption from Puerto Rico income taxes on all passive income realized or accrued after such individuals become bona fide residents. On the long run, the goal is to attract new local investments in real estate, services, and capital injections to the Puerto Rico banking sector, in order to accelerate the Island's economy.

The incentives under Act 22 of 2012, which will expire on December 31, 2035, include 100% tax-exemption on dividends and interests and a 100% tax exemption on short-and long-term capital gains, after becoming residents. To become a new bona fide resident of Puerto Rico, an individual must have physical presence in the Island for at least 183 days of the year and must not have been a resident in Puerto Rico for the 15 years prior to the Act's effective date.

Since there are special rules provided for the year of the move from the United States to Puerto Rico, investors are encouraged to follow them closely in order to take full advantage of the new laws and its benefits. Tax experts and financial counselors working with international firm BDO, both in Puerto Rico and through offices around the world, have powerful knowledge and current updates to assist new investors through the process of establishing both their residences and businesses in Puerto Rico.

Act 22 offers:

- 0% tax on dividend and interest income for new Puerto Rico residents
- 0% tax on short-and-long term capital gains for new Puerto Rico residents
- 0% federal taxes on Puerto Rico source income
- Incredible tax savings on your investment portfolio returns
- 82°F weather all-year round and 300 miles of paradise beaches

International Financial Center Regulatory Act (ACT 273)

Act No. 273, also known as the “International Financial Center Regulatory Act”, provides tax exemptions to businesses engaged in eligible activities in Puerto Rico. To avail from such benefits, a business needs to become an International Financial Entity (“IFE”) and obtaining a tax exemption decree.

The principal goal of IFEs is to attract United States and foreign investors to Puerto Rico. The IFE Act authorizes the proposed entity to engage in specific banking and financial activity in Puerto Rico (Authorized IFE Activities) with non-residents of Puerto Rico.

The main benefits that Puerto Rico will derive from an International Financial Center are the expansion of the service sector, the generation of direct and indirect jobs, and the growth of the economic activity. Puerto Rico offers many favorable conditions to conduct international financial transactions, such as political stability, banking system solidity, a close economic relation with the United States, a high-level professionalism, bilingualism, and the technical capacity of its human resources, a unified monetary system and market, a privileged geographical location, and a well-developed communications network.

International Insurance Center (IIC) (ACT 399)

Act No. 399 and Act No. 400 in Chapter 61 of the Puerto Rico Insurance Code were adopted in order to establish the basis for the International Insurance Center (IIC) , which

provides a competitive environment for reinsurers to cover risks in and out of Puerto Rico under a secure and flexible regulatory system, with attractive tax benefits. In June 2011, Act. No. 98 was passed to provide long-term tax status that will guarantee the tax treatment for an initial period of 15 years, renewable for two additional 15-year periods. International insurance entities have various alternative ways to organize and operate within the IIC. These options include operating as an international insurance holding company, as an international insurer or a branch of an international insurer, and protected cell arrangements.

I. International Insurance Holding Company

- A holding company that must hold interests (shares and other securities) in an international insurer or international insurance holding company organized under Chapter 61 of the Insurance Code of Puerto Rico.
- May control International Insurers or other International Insurance holding companies, or businesses that are incidental and that provide services exclusively to International Insurers with which they maintain a relationship as subsidiaries or affiliates.
- Maintain its cash, equivalents and other investments in a proportion of no more of 1:1 with other insurance related assets, including interest in the international insurer.

Due to its many advantages, including direct access to US and other international markets, Puerto Rico is a sound gateway for insurers and reinsurers wishing to enter the Latin American insurance and financial market. Since 2005, the international insurers and reinsurers division of the Office of the Commissioner of Insurance of Puerto Rico (OCI) has sought to promote Puerto Rico as an important member of the international insurance arena.

The Government of Puerto Rico adopted this new initiative and incorporated it as part of its economic agenda. The OCI supervises the international insurers and reinsurers division, while the Department of Economic Development and Commerce oversees the promotion of the office's work and the extension of tax decrees

Act to Promote Puerto Rico as a Destination, Act 17-2017 March 30, 2017

The law create an independent Destination Marketing Organization to handle branding and marketing efforts for Puerto Rico as a tourism destination. The DMO duties call for developing a permanent destination brand, promoting Puerto Rico, attracting visitors and increasing the island's global exposure. Tourism marketing strategies beyond the act, will be based on the needs and trends of the national and global market. Through the DMO, PR will present as a trademark the culture, natural and human resources culinary, entertainment and entertainment industries. Among its first initiatives should be the creation of a permanent brand for Puerto Rico. The brand will help leave behind the inconsistency of the brand and quicker reactions to market needs.

The Corporation for the Promotion of Puerto Rico as a Destination (DMO) has officially begun its work on August 2, 2017, with the appointment of its board members and the creation of internal committees. The Development and Organizational Effectiveness Committee will be responsible for shaping the initial organizational structure of the corporation. The Marketing Committee, meanwhile, will facilitate the DMO's work and representation in technical marketing areas. The DMO seeks to professionalize and give consistency to Puerto Rico's brand as a major tourist destination in the Caribbean and be recognized as a premier destination globally.

Employment Transformation and Flexibility Act, Law No. 4 of January 26, 2017

Employment Transformation and Flexibility Act, Law No. 4 of January 26, 2017 is statute that reconfigures longtime-established employment management rules in Puerto Rico. The main purpose is to make Puerto Rico a more competitive jurisdiction while, at the same time, protecting the essential rights of the employee. The act apply to new employees hired after its enactment. The Transformation Act creates two systems: one set of rules applicable to new employees after the enactment of the Act, and those rules applicable to all employees, regardless of the time they were hired.

The Act makes substantial changes to virtually all existing Puerto Rican employment laws, including those governing unjustified dismissal, wage-and-hour, vacation and sick leave, workers' compensation, unemployment, lactation leave, employment discrimination and employee benefits. Among the changes made by the act are:

- Sets forth definitions of specific terms and rules of interpretation for employment contracts, and the concepts of employee, employer and independent contractor;
- Establishes that every employment-related Puerto Rico law or regulation that refers to a similar issue regulated by an analogous U.S. law or regulation shall be interpreted in a manner consistent with those federal norms, unless Puerto Rico law expressly establishes otherwise;
- Provides a list of employee rights and responsibilities;
- Substantially modifies Puerto Rico wage-and-hour legislation by redefining the concept of overtime hours and workweek;
- Repeals the "Closing Law," eliminating retail industry restrictions on operating between 5:00 am and 11:00 am on Sundays;
- Increases the minimum number of hours an employee must work each month to be entitled to accrue vacation and sick leave, from 115 to 130 hours;
- For employees hired after the Act's effective date, the law increases the number of work hours required for employees to qualify for the annual bonus;
- Amends the Puerto Rico Internal Revenue Code of 2011 (the "PR Code"), to exclude from gross income and wages any compensation or indemnification received by an employee for reason of his/her dismissal;
- Amends the term "qualified benefits" to include not previously recognize benefits;

- Promulgates new definitions of what constitutes full-time and part-time employment for purposes of lactation leave, and extends lactation leave requirements to part-time employees who work at least four consecutive hours;
- Coins the concept of “Flexisecurity,” and amends several provisions of the Puerto Rico Employment Security Act;
- Adopts a new formula for calculating the statutory severance (or "mesada") under Act 80;
- The Act establishes an automatic probationary period of 12 months for employees classified as executives, administrators and professionals under the FLSA, and of 9 months for all other employees;
- The Act reduces to six months the employee job reserve provisions of the Non-Occupational Disability Insurance Act (in Spanish, "SINOT") and the Puerto Rico Compensation System for Work-Related Accidents Act (commonly known as "Fondo"), for employers with 15 or fewer employees;
- The Act eliminates the presumption of discrimination in dismissals without just cause and expressly adopts the interpretative standards and norms available under federal anti-discrimination law.

Puerto Rico Permit Process Reform Act (Law 19, April 5, 2017)

- The purpose of Act 19-2017 is to improve Puerto Rico’s competitiveness, attract investment and jump-start the recovery of the economic development through modifications that will further streamline, and make more agile and efficient the process to evaluate permits for the development and use of land and structures in Puerto Rico. Furthermore, some of the amendments are focused on bringing additional transparency and certainty to the permitting process.
- The law also creates the Unified Information System, which integrates all requirements to do business in Puerto Rico into a single website (One Stop-PR Doing Business). In Puerto Rico, obtaining a construction permit take on average 165 days and involved 20 separate processes. According to the World Bank’s Doing Business Report, Puerto Rico is currently listed 131 out of 190 countries in the ease of obtaining a building permit.
- Also, establishes that the projects designated as critical under the Puerto Rico Oversight Management and Economic Stability Act (PROMESA) or those declared by Executive Order issued by the Governor of Puerto Rico in accordance with the provisions of Act 76-2000, known as the Procedures for Emergency Situations or Events Act, will be evaluated under the provisions of the act.

Puerto Rico Site Selection Map

- The Puerto Rico Site Selection Map, a new tool launched by the Department of Economic Development and Commerce (DDEC, Spanish acronym), contains information that business people usually need when deciding where to establish a shopping center or a manufacturing plant. These data was previously available

- only in the offices of the different government agencies or in their websites. That information have been integrated, making it easier for that entrepreneur or investor to access that data and use it in its analysis process.
- The tool has the location and brief description of almost 2,000 properties of the Puerto Rico Industrial Development Company (PRIDCO), the Land Administration and other agencies attached to the DDEC. The platform also provides the option to see on the map where all the airports, as well as casinos, hotels, schools, marinas, shopping centers, aerospace businesses or ornamental agriculture, just to mention a few options, are.
 - The Sites Selection Map accelerates the process of searching and selecting sites to establish businesses, while speeding up the use of government lots and buildings. DDEC is expected that this toll will attract new investment to the island, create jobs and promote economic development. Access to the maps is available through the website www.businessinpuertorico.com, click on the "Invest" icon and select the "Site Selection Map" option.

Act 13-2017 – Enterprise Puerto Rico Act

- The Act create a nonprofit entity entitled **Enterprise Puerto Rico**, which will be in charge of promoting the island as a destination for foreign investment and new businesses. Government of Puerto Rico are expected that this approach has the potential to create from 10,000 to 12,000 jobs within the next five years. Puerto Rico have a host of assets that go beyond tax incentives and Enterprise Puerto Rico must promote these assets. Governor of Puerto Rico, Ricardo Rosselló reiterated that the island “is open for business,” and that the initiative is a “piece of the puzzle” that his administration currently implements to achieve economic development.
- The investment by foreign companies is of vital importance to the economy and that the amount has been, for years, closely correlated to the island’s economic growth. The ability to attract this type of investment to Puerto Rico has been undermined by globalization and intensified international competition.
- The legislation also provides for a mechanism the government matches the amount of funds brought by the private sector in a given project. This approach will be focused on boosting productivity in an intelligent and efficient manner and boost the creation of new companies and industries with high added value, which in turn leads to prosperity and a better quality of life. The DDEC are in charge of measuring its performance, including the number of jobs created, the capital investment obtained, and the new revenue generated by exports.

PROMESA ACT

The US Congress passed in May 2016, the **Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA)**. This bill addresses Puerto Rico's debt by establishing an oversight board, a process for restructuring debt, and expedited procedures for approving critical infrastructure projects. The bill establishes the Financial Oversight and Management Board to oversee the development of budgets and fiscal plans for Puerto Rico's instrumentalities and government. The board may issue subpoenas, certify voluntary agreements between creditors and debtors, seek judicial enforcement of its authority, impose penalties, and enforce territorial laws prohibiting public sector employees from participating in strikes or lockouts. The board's responsibilities include:

- approving the governor's fiscal plan;
- approving annual budgets;
- enforcing budgets and ordering any necessary spending reductions; and
- reviewing laws, contracts, rules, and regulations for compliance with the fiscal plan.

The bill establishes procedures and requirements for Puerto Rico to restructure its debt and designates the board as the representative of the debtor. The board may initiate a procedure for debt restructuring and submit or modify a plan of adjustment.

The President appointed all seven members of the board. The Governor of Puerto Rico (or a designee) serves ex officio as an eighth member without voting rights. PROMESA authorizes the oversight board to designate a territory or territorial instrumentality as a "covered entity. Once designated, the covered entity is subject to the terms of PROMESA. On September 30, 2016, the oversight board designated the Government of Puerto Rico and certain other territorial instrumentalities as covered entities under PROMESA. As a covered entity, Puerto Rico is required to submit a fiscal plan. A fiscal plan must provide a method to achieve fiscal responsibility and access to the capital markets, and:

- provide for estimates of revenues and expenditures in conformance with agreed accounting standards and be based on--applicable laws; or
- specific bills that require enactment in order to reasonably achieve the projections of the Fiscal Plan;
 - ensure the funding of essential public services;
 - provide adequate funding for public pension systems;
 - provide for the elimination of structural deficits;
 - for fiscal years covered by a Fiscal Plan in which a stay under subchapters III or IV is not effective, provide for a debt burden that is sustainable;
 - improve fiscal governance, accountability, and internal controls;
 - enable the achievement of fiscal targets;

- create independent forecasts of revenue for the period covered by the Fiscal Plan;
- include a debt sustainability analysis;
- provide for capital expenditures and investments necessary to promote economic growth;
- adopt appropriate recommendations submitted by the Oversight Board under section 2145(a) of this title;
- include such additional information as the Oversight Board deems necessary;
- ensure that assets, funds, or resources of a territorial instrumentality are not loaned to, transferred to, or otherwise used for the benefit of a covered territory or another covered territorial instrumentality of a covered territory, unless permitted by the constitution of the territory, an approved plan of adjustment under subchapter III, or a Qualifying Modification approved under subchapter VI; and
- respect the relative lawful priorities or lawful liens, as may be applicable, in the constitution, other laws, or agreements of a covered territory or covered territorial instrumentality in effect prior to June 30, 2016.

Title III

- Title III contains the provisions in PROMESA that allow for proceedings to adjust debts, which proceedings follow a similar framework as a municipality bankruptcy under Chapter 9 of the Bankruptcy Code but is broader in scope
- The goal is to file and confirm a Plan of Adjustment of Debts (the “Plan”). The confirmed Plan will be binding upon all creditors and the Government
- The Government will be able to obtain a discharge prohibiting creditors from collecting on any amounts, or debts, beyond those contemplated in the Plan
- The Title III petition was filed on May 3, 2017 before the United States District Court for the District of Puerto Rico. The Chief Justice of the United States Supreme Court designated today the Honorable Judge Laura Taylor Swain of the United States District Court for the Southern District of New York to preside over the Title III case
- PROMESA does not contain a specific timetable for the conclusion of the Title III proceeding
- The Government will continue to operate on a daily basis, and the Title III filing will not interfere with any of the properties or revenues of the Debtor; or the use or enjoyment of the Debtor of any income-producing property
- The Government will still be able to use, sell or lease its property subject to certain limitations, and possible Court-approval under certain circumstances
- The Government may seek Post-Petition financing
- The Board will be the authorized representative of the Debtor on several Title III proceedings before the Court

FOMB FISCAL PLAN FOR PUERTO RICO

The Financial Oversight and Management Board for Puerto Rico (the “FOMB,” or “Oversight Board”) has formulated the Fiscal Plan in negotiation with the Government of Puerto Rico, entitled ***Fiscal Plan for Puerto Rico; Restoring Growth and Prosperity***. The plan was certified by FOMP, on June 29, 2018. The FOMB Fiscal Plan provides a blueprint of the structural reforms and fiscal measures to launch a growing economy with more and better jobs, a twenty-first century electricity grid, resilient infrastructure, and an effective and efficient public sector.

The objectives laid out in the Puerto Rico Oversight, Management, and Economic Stability Act (PROMESA): achieving fiscal responsibility and balance within five years, regaining access to the capital markets, and restoring economic opportunity for the Island. The consolidated Government’s outstanding debt and pension liabilities have grown to over \$120 billion, with more than \$70 billion in financial debt and more than \$50 billion in pension liability – an amount almost twice the size of Puerto Rico’s economy.

Hurricane María has caused unprecedented and catastrophic damage to Puerto Rico, its people, and its businesses. According to current estimates, Hurricane María has created approximately \$80 billion in damage, and is projected to cause a real decline to GNP of 13.3% this fiscal year.

Puerto Rico is committed to repaying an affordable and sustainable amount of its outstanding debt and to treating its creditors equitably; however, it needs a comprehensive restructuring of its debt – in addition to the adoption of pro-growth structural reforms – to have renewed access to the capital markets and to create the basis for a sustainable economy.

According to the FOMB, by attacking the structural problems plaguing Puerto Rico will it have laid the groundwork for a new, growing, resilient economy. None of these reforms or measures is more critical than human capital and welfare reform to improve Puerto Rico’s historically dismal labor participation rate.

Required Structural Reforms

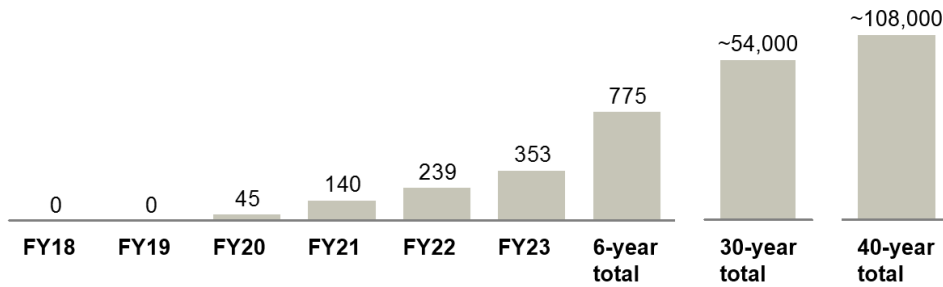
The New Fiscal Plan proposes a series of reforms (“structural reforms”) to improve the trajectory of the economy and drive growth:

- *Human capital and welfare reform*: promoting participation in the formal labor force by creating incentives to work through Earned Income Tax Credit (EITC) benefits and welfare reform and providing comprehensive workforce development opportunities. These measures are projected to increase economic growth by 0.30% by FY2022 due to EITC and labor reforms, and by an additional

0.26% from FY2033-2058 from long-term benefits of education and workforce development.

- *Ease of doing business reform*: promoting economic activity and reducing the obstacles to starting and sustaining a business in Puerto Rico through comprehensive reform to improve ease of paying taxes, importing and transporting goods, registering property, and obtaining permits. These reforms are projected to drive a 0.65% uptick in overall growth by FY2023.
- *Power sector reform*: providing low-cost and reliable energy through the transformation of PREPA and establishment of an independent, expert, and well-funded energy regulator. This is projected to increase growth by 0.30% starting in FY2020.
- *Infrastructure reform*: prioritizing economically transformative capital investments with Federal funds and launching new operational initiatives to reduce the impact of transportation delays.

Graph 16
FOMB Expected Impact of Structural Reforms (\$M)



Fiscal measures

The New Fiscal Plan proposes a set of fiscal actions to increase Government revenues and reduce expenditures:

- *Enhancing tax compliance*: Employing new technology and other innovative practices to broaden the tax base, reduce fraud, and improve fairness to boost overall tax revenues.
- *Right-rating taxes and fees*: Adjusting existing taxes and fees to capture revenues from under-leveraged sources, such as the excise tax on crude oil (“CRUDITA”).
- *Agency efficiencies*: Consolidating agencies and deploying new management tools and practices to deliver better government services for substantially lower cost
- *Comprehensive pension reform*: Improving the financial stability of public employees’ retirement funds and ensuring payment of pensions
- *Reduction of appropriations*: Lowering the fiscal burden on the Government and encouraging sound fiscal self-management by reducing appropriations to municipalities and the University of Puerto Rico, while instituting an independent scholarship fund for low-income UPR students

- *Healthcare reform*: Reducing healthcare cost inflation through a comprehensive new healthcare model that prioritizes quality, cost-effective care
- *Office of the CFO*: Instituting fiscal controls and accountability, reducing special revenue fund deficits, and improving governance, accountability, and transparency

FOMB LONG-TERM PROJECTIONS

While the New Fiscal Plan emphasizes the period from FY2018-FY2023, the Plan’s core goal is to put Puerto Rico on a path towards long-term fiscal balance. The Government’s existing bonded debt also is long-term, with final maturities on some credits extending out 40 years from today to FY2058. Accordingly, long-term projections are an important component in evaluating the Fiscal Plan’s implementation and in the resulting Debt Sustainability Analysis (DSA).

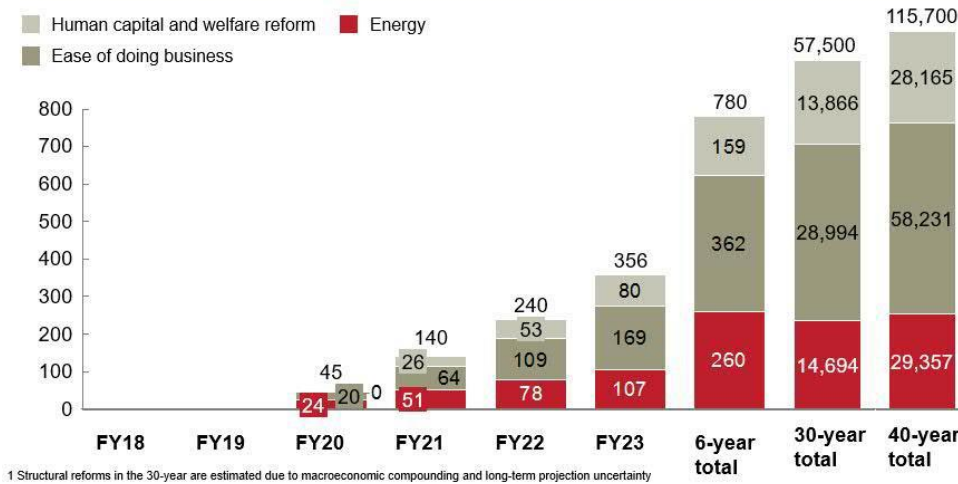
The cumulative impact of structural reforms in the next 40 years drives over \$100 billion, thereby generating much of the future surplus. Even with structural reforms, a deficit will emerge in 2036 in part due to the absence of comprehensive human capital and welfare reform.

FOMB Structural Reform

A sustainable fiscal and economic turnaround depends entirely on comprehensive structural reforms to the economy of Puerto Rico. The Government must pursue reforms in the following areas:

- **Human capital and welfare reforms** will improve job creation, workforce participation, and the well-being and self-sufficiency of welfare recipients
- **Ease of doing business reforms** will improve conditions for economic activity and job creation, trading across borders, employment opportunities, and business vitality
- **Power sector reforms** will improve availability and affordability of energy for families and businesses, resulting in 0.30% cumulative GNP impact by FY2023.
- **Infrastructure reform and capital investment** will improve the flow of goods, services, information, and people across the Island.
- The reforms are crucial to placing Puerto Rico on a path to long-term structural sustainability.

Graph 17
FOMB Expected Impact of Structural Reform (\$M)



HUMAN CAPITAL & WELFARE REFORM

Puerto Rico faces immense challenges with formal labor force participation and preparedness. The Island’s formal labor force participation rate is only ~40%, far from the U.S. mainland average (63%) or even the lowest-ranked U.S. state (West Virginia, 53%), and well below other Caribbean islands. Puerto Rico’s youth unemployment rate is 23.8%, almost double the world average (13.8%) and more than double the U.S. average (10%).³³ Low labor force participation in Puerto Rico is a long-term structural problem that can be addressed only through significant changes to public policy

7.1.1 Labor laws -- Puerto Rico could improve labor market flexibility through repealing restrictive laws like Law 80 and creating labor conditions more similar to those on the mainland, which would lead to increased labor force participation rates. The Island still is not an employment at-will jurisdiction, imposing costs and regulatory burdens that reduce employment, wages and economic opportunity.

7.1.2 Welfare policies - In addition to the Island’s labor laws, Puerto Rico residents may also face disincentives to participate in the formal labor market due to rules attached to various welfare benefits, including the Nutritional Assistance Program (PAN), Mi Salud (Medicaid), Section 8 public housing, TANF, WIC, and other programs. These benefits are sometimes stereotyped with a claim that “welfare pays more than work.” Is necessary working in the informal sector and collecting transfer benefits can often result in higher effective income than working in the formal sector.

7.1.3 Workforce preparedness - Finally, Puerto Rico’s potential workforce is also not well prepared to fill jobs currently needed by the economy.

Future vision for the Puerto Rican human capital and welfare reform

FOMB state that dramatic changes to Puerto Rico’s labor market policies are necessary

and structural reforms must make it easier to hire, encourage workforce participation, and enhance student outcomes and workforce development opportunities to ensure a pipeline of prepared and appropriately-skilled individuals. The Government should aim to increase the labor force participation rate to 47% and reduce the youth unemployment rate to 20.2% by FY2023.

Welfare structure reforms

The Government must launch an Earned Income Tax Credit (EITC) program by January 2019, raising pay for formal laborers. In Puerto Rico, implementation of the new EITC should be similar to the Federal EITC but adjusted to the relative wages of the Island. Eligible recipients should receive credits according to their marital, family, and earned income. As earnings increase, the benefit should increase up to a specified cap; at the cap, it would plateau and eventually decrease at the phase-out income level until it reaches

PAN Work requirement

The New Fiscal Plan requires that the Government institute work requirements to qualify for PAN benefits. Starting in July 2019, able-bodied participants aged 18-59 will be subject to a work requirement; in full implementation this work requirement must become effective after the individual has collected PAN benefits for three months. The work requirement may be satisfied with 80 hours per month of paid work, volunteer work, and/or qualified training and education.

Workforce development programs

Workforce Innovation and Opportunity Act (WIOA)

Human capital and welfare reforms should increase supply and demand for jobs; to fully close the gap and implement the human capital and welfare reform package, however, the Government must launch specific efforts to ensure that its future workforce is prepared with critical skills.

First, the Government must update the WIOA State Plan to focus its programs and incentives on high-priority sectors and capabilities (e.g., aerospace, software development, and creative services). The Government must broaden the list of core industries that qualify under WIOA and focus on high impact economic sectors to provide a skilled workforce that meets the needs of employers in each specific region. It shall integrate this WIOA program with the broader promotional efforts of the Department of Economic Development and Commerce (DDEC).

Youth development initiatives

Government should help develop critical skills in the workforce through multiple proposed initiatives, including:

- **Youth development:** Investment in STEM through targeted teacher professional development and related programs; apprenticeship programs through partnership with universities and local businesses; opportunities for work-based learning and business programs; occupational opportunities and certification programs
- **Higher education:** Curriculum development grants and scholarships for UPR students focused on high-impact sectors, e.g., the IT industry and Computer Science.
- **Current labor market:** Apprenticeship Programs through collaboration with the private sector; training & certification programs focused on the areas of reconstruction efforts; creation of a job council to coordinate development and employment opportunities for youth and the unemployed

EASE OF DOING BUSINESS REFORM

Puerto Rico should achieve a best-in-class business environment by taking targeted steps to improve rankings in key identified Doing Business Index indicators by FY2023, with the goal of closing the gap with the mainland U.S. by at least 50% from its 2018 rankings:

- Overall: Move from 64 to at least 57.55
- Getting Electricity: Move from 69 to at least 59
- Construction Permits: Move from 138 to at least 87
- Registering Property: Move from 153 to at least 95
- Paying Taxes: Move from 161 to at least 99
- Trading Across Borders: Move from 64 to at least 50

In addition, in line with best-in-class investment offices,⁵⁶ by FY2023 **iPR shall:**

- Create 54,000 new jobs (or average 9,000 new jobs per year)⁵⁷
- Lead 750 new capital investments (or average 150 per year)⁵⁸
- Achieve a \$20 return in 10 years per dollar invested⁵⁹

In line with best-in-class Caribbean tourism offices,⁶⁰ by FY2023

Core initiatives to improve the ease of doing business

1. Digitize Unified Information System (SUI).
2. Reduce occupational licensing. Reducing occupational licensing requirements can encourage activity in the formal labor market.

3. Deregulate on-Island freights.
4. Deregulate condominium law.
5. Improve construction permitting. Streamline the process for business permitting and registrations by creating a streamlined, digitized one-stop-shop system for business processes, expanding on work initiated under Act 19.
6. Improve ease of registering property.
7. Improve ease of paying taxes.
8. Improve access to reliable and affordable electricity.
9. Improve trading across borders.

ENERGY AND POWER REGULATORY REFORM

The goal of the transformation of the power sector is to provide the citizens of Puerto Rico with low-cost, reliable, and resilient power delivered by an efficient and financially sustainable utility. The pillars of this transformation include: restructuring the power generation mix to leverage low-cost sources of power; rebuilding and modernizing the power grid; implementing an operational cost transformation; executing a large-scale capital investment program with Federal funds and private sector investments; restructuring the power industry by bringing in private operators, and establishing a new rate structure to allocate costs fairly and equitably across customers. A strong and independent regulator of the power sector is required and will additionally support the success of the power sector transformation.

INFRASTRUCTURE REFORM

The Government created the Central Recovery and Reconstruction Office (CRRO) as a Division of the P3 Authority to lead the coordination, development, and execution of long-term recovery and reconstruction efforts. Specific CRRO activities should include:

- Developing, presenting and administering recovery action plans
- Financing, executing and effecting infrastructure projects related to recovery efforts
- Monitoring contracting for compliance and effectiveness purposes
- Implementing and enforce checks and balances for procurement and approval of contracts and payments
- Deploying a proven grant-management software and provide external visibility via frequent status updates to its public website
- Coordinating and channeling all efforts and activities of the Government related to recovery efforts

GOVERNMENT TRANSFORMATION

A new model for government operations will “right-size” the Government through agency consolidation and reduction and/or elimination of government services. The Government has approximately ~116,500 employees⁷⁵ across 114 Executive Branch government

agencies, as well as agencies within the Legislative and Judicial branches (excluding large instrumentalities, e.g., PREPA, PRASA, HTA UPR, COSSEC, GDB).

As part of the Governor's new Government model, the Government should **consolidate the 114 agencies into 22 groupings and a number of independent agencies**. In some cases, the consolidations are designed to better focus the competing efforts of multiple agencies, such as the Economic Development grouping which will consolidate ten agencies into one.

Approach to agency efficiency measures:

1. ***First, some agencies will be closed completely*** if their function and programs are not required,
2. ***Other agencies must be merged*** when benchmarking and best practices determine that activities across agencies could be better served through a single mission and management to eliminate redundancies
3. ***A small subset of agencies will be left independent but made more efficient*** through a series of streamlining efforts related to both personnel and operations
4. **Compensation-related initiatives**
 - a. **Instituting a payroll freeze**
 - b. **Standardizing healthcare provided to government employees**
 - c. **Reducing additional outsized non-salary compensation paid to employees** These include:
 - i. Asserting a hiring freeze with stringent requirements for backfilling positions left open by attrition or workforce reduction
 - ii. Limiting paid holidays to 15 days annually across all public employees
 - iii. Prohibiting carryover of sick and vacation days between fiscal years
 - iv. Prohibiting any future liquidation of sick and vacation days
 - v. Eliminating the Christmas bonus for all public employees

Agencies subject to Restructuration

1. **Hacienda – Office of the CFO.** The Office of the CFO, a function of Hacienda, (“OCFO”), will also be responsible for – and crucial to achieving – a variety of reforms to ensure the responsible financial stewardship of the Island’s resources. The establishment of a strong, centralized Office of the Chief Financial Officer for Puerto Rico (“OCFO”), as proposed by the Governor, into the executive branch of Government. the OCFO will improve fiscal governance and forecasting, increase transparency, substantiate accountability, heighten internal controls, and improve stakeholder confidence in Puerto Rico’s financial management.
2. **Department of Education (PRDE) Reform**
3. **Department of Health (DOH)**

4. Department of Economic Development (DDEC)

DDEC is driven by a strategic economic plan to promote high-impact projects, reenergize existing industries, and promote new strategic initiatives. In addition, DDEC manages a variety of programs on the Island intended to promote Puerto Rican entrepreneurship, youth employment, and other critical economic development functions. In the aftermath of Hurricane Irma and Maria, these programs will be crucial for the vitality of the Puerto Rican economy through increasing participation in the job market and attracting new business to the Island.

The agencies within the grouping are responsible for a variety of efforts to maintain a robust economic marketplace within Puerto Rico, including supervising public policy, creating and retaining jobs, attracting capital investment, and promoting tourism.

Under the new grouping construct, DDEC should be better able to coordinate its efforts to spur economic development by providing clear goals and metrics for success, pursuing digitization, procurement centralization and other efforts to reduce non-personnel spend, and reducing the number of front-line personnel to better reflect mainland standards for a right-sized economic development operation

The following stipulations will govern the future state of DDEC:

- The DDEC budget should include **carve outs for the Destination Marketing Office and Invest Puerto Rico**, as these institutions will perform complementary functions to DDEC
- Each entity within DDEC grouping should have **clearly defined responsibilities and governance structures** that limit costs moving forward and prevent overlapping duties among agencies in the grouping (e.g., specific marketing / promotion agency mission should be separate from the corporate development / retention agency).
- DDEC must pursue a variety of initiatives to **reduce non-personnel spend**, primarily centered on procurement optimization and digitization of operations (e.g., digitizing the permit application process)
- DDEC should **reduce front-line personnel** to ensure a streamlined, efficient organization and identified a redundancy in service of back-office personnel and **consolidate back-office operations**

REDUCTION OF APPROPRIATIONS

- The central Government provides a range of appropriations to three main groups of recipients: The University of Puerto Rico, Puerto Rico's 78 municipalities, and "other" recipients (typically private industry or non-profit institutions).

- A reduction of the appropriation for UPR was determined in 2017 through a shared process with the Government to identify reasonable, sustainable reductions to the UPR appropriation that brought UPR closer to U.S. public university tuition and cost benchmarks.
- The Government can support consolidations of municipal services to encourage efficiencies, such as through service provision collectives or streamlining the legal framework to remove barriers to collaboration

PENSIONS REFORM

The Government operates three public employee retirement systems in Puerto Rico: The Employees’ Retirement System (ERS), the Teachers’ Retirement System (TRS), and the Judicial Retirement System (JRS). **Over many decades, successive governments have failed to adequately fund these retirement plans, and today the ERS, TRS and JRS are nearly insolvent.**

Puerto Rico’s retirement system must be further reformed to reduce costs, restore the plans to financial sustainability, and maintain responsible benefit levels for current and future retirees. Reductions to benefits must also be structured to **protect lower-income retirees**, who otherwise could become impoverished and therefore be forced to rely upon government “safety net” benefits.

II(a)(1)(A)(i) Existing Demand Industry Sectors and Occupations. Provide an analysis of the industries and occupations for which there is existing demand.

Industry sectors in general

As shown in Table II-1, the industrial sectors with the highest share of GDP output in FY2016 were: Manufacturing, with almost half at 47.6%; followed by Real Estate and Rental, at 15.2%; Government, at 7.6%; Retail Trade, at 4.9%; Finance and Insurance with 4.5%; and Health Care and Social Services, with 3.5%. Taken together, these industrial sectors comprise close to 84% of Puerto Rico's GDP output.

Table II-1. Selected series of income and product, total and per capita: FY 2010, 2014, 2016

Category	2010	2014	2016
Total in current dollars (\$millions)			
Gross national product	64,294.60	68,797.50	70,134.5
Increase	1.1	(0.2)	0.8
Per capita	17,233	19,855	20,376
Gross domestic product	98,381.30	102,445.80	105,034.5
Per capita	26,369	28,745	30,516
Per Industrial Sector (sector as % of GDP, subsector as % of sector)			

Category	2010	2014	2016
Agriculture	822.00	846.70	840.30
Mining	33.70	35.80	27.90
Utilities	1,981.90	1,638.10	1,972.00
Construction	1,484.40	1,216.10	1,016.20
Manufacturing	46,577.30	47,580.90	49,664.30
Wholesalers Trade	2,993.10	2,662.30	2,813.70
Retail Trade	4,472.80	4,963.30	5,152.40
Transportation and Warehousing	941.00	937.10	985.20
Information	2,646.00	2,330.70	2,828.80
Finance and Insurance	5,240.70	5,758.30	4,729.90
Real Estate and Rental	13,785.40	15,426.30	16,016.90
Professional, Scientific, and Technical Services	1,510.10	1,755.30	1,987.40
Management of Companies and Enterprises	72.50	65.90	89.30
Administrative Services and Support	1,500.40	1,824.80	1,774.20
Educational Services	721.30	658.00	653.70
Health Care and Social Services	3,293.90	3,606.20	3,845.20
Art, Entertainment and Recreation	93.80	105.40	160.00
Accommodation and Food Services	1,765.80	1,972.50	2,104.60
Other Services	389.50	423.90	438.70
Government	8,349.90	8,237.50	7,353.80
Gross national product	6,541.80	6,343.90	6,233.90
Gross domestic product	10,627.30	10,434.10	10,049.10
Salaries and wages (\$millions)	25,792.80	25,188.50	24,646.00
Employment, total (thousands)	1,075.00	993.00	1,002.00
Productivity (\$)	9,886.00	10,508.00	10,029.00

Source: PRPB, Statistical Appendix 2017.

From FY 2005 to FY 2016, only three industrial nonfarm sectors were able to expand their share of GDP aside from Agriculture. These were: Real Estate and Rental, with 33.1%; Manufacturing, 12.2%; and Administrative Services and Support with a modest increase in share of 3.9%. On the flip side, Arts, Entertainment and Recreation lost almost 70% of its share, while Construction, Mining and Management lost over half of theirs and Finance and Insurance more than a third.

When focusing on the changes in GDP output among major industrial sectors in the shorter span of 2011 to 2016, additional movers emerge, with Professional, Scientific and Technical Services with a change in share of 11.3%, closely followed by Accommodation and Food Services at 9.5%, and Utilities at 8.2%. The Information sector, on the contrary, seems to accelerate its decrease with 11.5% for the period.

As shown in Table II-2, below, major industrial sectors with most estimated jobs were Service Providing; Trade, Transportation and Utilities; Education and Health Service and Professional and Business Service. These concentrated more than half of the estimated total employment. Among those with a significant share of employment, Service Providing, Goods Producing, Trade, and Transportation had the largest decreases.

Table II-2. Employment estimates by major industry, 2014-2017

Industry Sector	2014	2015	2016	2017	2014-2017 Change
Service-providing	564,074	560,442	560,601	552,211	-11,863
Trade, transportation, and utilities	176,609	174,128	173,881	169,389	-7,220
Education and health services	116,669	116,879	115,843	113,597	-3,072
Professional and business services	112,815	112,206	115,042	115,930	3,115
Goods Producing	113,386	110,957	109,237	104,106	-9,280
Leisure and hospitality	79,798	80,279	80,799	78,489	-1,309
Manufacturing	74,418	73,914	73,970	71,482	-2,936
Financial activities	43,173	42,291	42,527	42,588	-585
Construction	26,793	24,779	22,771	21,219	-5,574
Information	20,014	19,842	17,652	17,634	-2,380
Other services	14,962	-(ND)	14,819	14,544	-418
Natural resources and mining	12,176	12,263	12,496	11,405	-771
Unclassified	34	-(ND)	38	40	6

Source: PRDOLHR, OES Estimates, 2014-2017

Occupations

Table II-3 below, highlights the dynamics of the occupations with the largest expansions (in absolute terms) between 2016 and 2026. According to PRDOLHR's report on skills and occupations in high-demand, in 2016, the top hiring occupations were Cashiers; Janitors and Cleaners; Managers, All Other; Secretaries and Administrative Assist; Security Guards; and Office Clerks, General. The forecasting for PY 2016, shows that these occupations will still as the large increase on employment in the next decade, considering the net estimated employment. However, considering the increase rate the most increase occupation in the next decade will be Combined Food Preparation and Serving Workers (21.06 %); Registered Nurses (12.17%); Customer Service Representatives (12.11%); and Waiters and Waitresses (11.44).

Table II- 3. Occupations with largest increase in employment, 2016-2026

SOC Code	Occupation title	Est. 2016	Est. 2026	Net gain	% gain	MHW2016	MHW2026
						(\$)	(\$)
353021	Combined Food Preparation and Serving Workers,	11305	13686	2381	21.06	8.28	8.37

SOC Code	Occupation title	Est. 2016	Est. 2026	Net gain	% gain	MHW2016	MHW2026
						(\$)	(\$)
	Including Fast Food						
291141	Registered Nurses	17573	19712	2139	12.17	12.32	18.94
434051	Customer Service Representatives	13640	15292	1652	12.11	8.31	12.66
353031	Waiters and Waitresses	11106	12377	1271	11.44	8.28	8.59
351012	First-Line Supervisors of Food Preparation and Serving Workers	9854	10425	571	5.79	8.32	12.93
411011	First-Line Supervisors of Retail Sales Workers	18856	19939	1083	5.74	8.64	15.87
339032	Security Guards	23818	25045	1227	5.15	8.23	8.93
435081	Stock Clerks and Order Fillers	17402	18260	858	4.93	8.31	9.98
132011	Accountants and Auditors	10389	10771	382	3.68	10.41	21.12
119199	Managers, All Other	27618	28619	1001	3.62	15.63	36.54
431011	First-Line Supervisors of Office and Administrative Support Workers	16152	16689	537	3.32	10.61	20.3
372011	Janitors and Cleaners, Except Maids and Housekeeping Cleaners	30653	31588	935	3.05	8.28	9.9
412011	Cashiers	32889	33877	988	3	8.31	8.71
436014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	25254	24984	-270	-1.07	8.32	11.28
373011	Landscaping and Groundskeeping Workers	11731	11593	-138	-1.18	8.28	9.95
439061	Office Clerks, General	23745	21921	-1824	-7.68	8.29	11.22

SOC Code	Occupation title	Est. 2016	Est. 2026	Net gain	% gain	MHW2016	MHW2026
						(\$)	(\$)
252021	Elementary School Teachers, Except Special Education	14399	13282	-1117	-7.76	N/D	N/D
472061	Construction Laborers	11184	10218	-966	-8.64	8.27	9.26
333051	Police and Sheriff's Patrol Officers	16351	13099	-3252	-19.89	11.79	16.77

Source: BLS, OES 2016, 2026

Table II-4, below, highlights the dynamics of the occupations with the largest contractions (in absolute terms) in the period 2016-2026. According to PRDOLHR's report on skills and occupations in high-demand, in 2016, the occupation with largest decrease in estimated employment for 2026, will be: Secretaries and Administrative Assistants; Operating Engineers and Other Construction Equipment Operators; Bill and Account Collectors; Teachers and Instructors; Mixing and Blending Machine Setters; First-Line Supervisors of Production and Operating Workers and Tellers.

Table II-4. Occupations with largest decrease in employment, 2016-2026

SOC Code	Occupation title	Est. 2016	Est. 2026	Net gain	% gain	MHW2016 (\$)	MHW2026 (\$)
436014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	25254	24984	-270	-1.07	\$8.32	\$11.28
472073	Operating Engineers and Other Construction Equipment Operators	1956	1663	-293	-14.98	\$8.27	\$12.37
433011	Bill and Account Collectors	2468	2165	-303	-12.28	\$8.29	\$12.71
253097	Teachers and Instructors, All Other, Except Substitute Teachers	7322	7009	-313	-4.27	N/D	N/D
519023	Mixing and Blending Machine Setters, Operators, and Tenders	2480	2162	-318	-12.82	\$8.67	\$15.77
511011	First-Line Supervisors of Production and Operating Workers	4599	4267	-332	-7.22	\$10.75	\$25.21
433071	Tellers	3121	2747	-374	-11.98	\$8.34	\$10.42
514072	Molding, Coremaking, and Casting Machine Setters, Operators, and Tenders, Metal and Plastic	1547	1171	-376	-24.31	\$8.28	\$13.00
259041	Teacher Assistants	6926	6513	-413	-5.96	N/D	N/D

SOC Code	Occupation title	Est. 2016	Est. 2026	Net gain	% gain	MHW2016 (\$)	MHW2026 (\$)
211021	Child, Family, and School Social Workers	3783	3311	-472	-12.48	\$10.85	\$17.93
474051	Highway Maintenance Workers	5443	4948	-495	-9.09	\$8.27	\$8.41
472031	Carpenters	5248	4714	-534	-10.18	\$8.26	\$9.68
331012	First-Line Supervisors of Police and Detectives	3034	2457	-577	-19.02	\$13.79	\$19.26
436012	Legal Secretaries	3863	3245	-618	-16	\$9.10	\$14.73
471011	First-Line Supervisors of Construction Trades and Extraction Workers	4445	3822	-623	-14.02	\$9.21	\$16.85
352011	Cooks, Fast Food	9052	8359	-693	-7.66	\$8.32	\$8.39
252031	Secondary School Teachers, Except Special and Career/Technical Education	9520	8781	-739	-7.76	N/D	N/D
211093	Social and Human Service Assistants	5412	4671	-741	-13.69	\$8.18	\$12.62
439022	Word Processors and Typists	3567	2604	-963	-27	\$9.01	\$14.93
472061	Construction Laborers	11184	10218	-966	-8.64	\$8.27	\$9.26
433031	Bookkeeping, Accounting, and Auditing Clerks	8544	7489	-1055	-12.35	\$8.28	\$12.61
252021	Elementary School Teachers, Except Special Education	14399	13282	-1117	-7.76	N/D	N/D
333012	Correctional Officers and Jailers	5256	4091	-1165	-22.17	\$9.42	\$13.96
516031	Sewing Machine Operators	5188	3546	-1642	-31.65	\$8.23	\$8.30
439061	Office Clerks, General	23745	21921	-1824	-7.68	\$8.29	\$11.22
436011	Executive Secretaries and Executive Administrative Assistants	10222	8312	-1910	-18.69	\$9.28	\$17.65
333051	Police and Sheriff's Patrol Officers	16351	13099	-3252	-19.89	\$11.79	\$16.77

Source: BLS, OES 2016, 2016

II(a)(1)(A)(ii) Emerging Demand Industry Sectors and Occupations. Provide an analysis of the industries and occupations for which demand is emerging.

Industrial Sectors

PRDEDC's agenda for economic development revolves around key strategic industrial sectors.

Life sciences: pharmaceutical manufacturing. Two segments of the pharmaceutical industry are currently experiencing excellent growth in the world's markets: (1) generic medications and (2) biologicals. While it is estimated that generics will have the greater growth, with a projected compound annual growth of 11% (2012-2016), most of the innovations in this industry are happening in biologicals. Therefore, the panorama for growth in both fields represents an excellent opportunity for Puerto Rican labor. Some of the strategies involve:

- Protecting existing pharmaceutical operations through collaboration with companies in this sector
- Actively intervening in the sale of closed plants or plants in the process of closing, ensuring a connection to interested companies so that they may take over or adapt the operation of those plants, thereby minimizing downtime
- Fostering the establishment of a pharmaceutical industry specializing in the production of generics and biologicals, using local capital investment. Use the Puerto Rico Industrial Development Corporation (PRIDCO) as a partner for businesses
- Attracting retail packaging and distribution operations to complement already existing manufacturing operations
- Developing local abilities for pharmaceutical research and development in order to create intellectual property in Puerto Rico
- Developing joint training programs with universities and companies in the private sector in order to strengthen the future labor force and offer better job and growth opportunities

With five decades of pharmaceutical manufacturing, Puerto Rico has a highly experienced workforce knowledgeable in GMP, FDA and other global regulations. Although 60% of employees in the life sciences have at least a bachelor's degree, Puerto Rico offers the lowest labor costs of any region under U.S. jurisdiction – with hourly earnings in manufacturing averaging 65 to 80% of the U.S. average.

Life sciences: manufacturing of medical devices. This sector is expected to experience a growth rate of 6% per year through 2020. Puerto Rico is in a unique position to take advantage of this tendency, since we have an impressive history of \$4.5 billion in exports in the manufacture of medical devices, and thirteen of the world's twenty largest firms in this sector are in Puerto Rico. Some of the strategies involve:

- Attracting new lines of production to companies established in Puerto Rico
- Fostering research, development, and manufacture of new products in Puerto Rico
- Focusing promotional efforts in high-growth sectors and corporations, especially including companies in the fields of orthopedics, trauma, invasive surgery, and visual devices
- Attracting companies within the medical devices supply chain, in order to consolidate the cluster and expand growth horizons

Workforce advantages in this sector are comparable to that of the pharmaceutical manufacturing subsector.

Agricultural biotechnology. According to PRIDCO, Puerto Rico has emerged as an important center for agricultural biotechnology. There's ongoing research with corn, soy, sorghum, sunflower, cotton, among others since 1983. It is one of the fastest growing sectors and is supported by the following conditions: year around stable weather and environmental conditions, skilled and professional labor, soil quality, proximity to the U.S., rapid transportation system, agricultural academic research centers and intellectual property protection. Pioneer Hi-Bred, BASF Agrochemical, Bayer-Cropscience, Syngenta Seeds and Rice Tec are among many seed companies that have found the island to be fertile ground for R&D. The sector currently concentrates 18% of all agricultural employment (over 2,500 employees). Puerto Rico must become a center for the scientific production and improvement of seeds in Latin America, and it must become a leader in an industry that is slated to grow at 6% per year. Some of the strategies involve:

- Supporting the expansion of production by companies currently doing business in Puerto Rico by preparing personalized offers
- Attracting additional companies in this sector by promoting existing incentives, infrastructure, and talent in Puerto Rico
- Fostering additional research and development in this sector

A highly educated workforce is supported by an array of current programs, including: those offered at the Biotechnology Development and Training Center at the Mayagüez campus of the UPR, which is a public-private initiative that offers customized training programs for students and employees with degrees in science and engineering, as well as for pharmaceutical professionals who want to transition into the life sciences; a five-year bachelor's degree in industrial biotechnology from the UPR, Mayagüez campus, offered for the last 12 years; and Ph.D. programs in biomedical science from the UPR, Medical

Sciences campus, and the Ponce School of Medicine/Pontifical Catholic University of Puerto Rico.

Outsourcing. According to PRIDCO, the Island is quickly emerging as a knowledge-services hub both for online monitoring as well as telecommunication-related operations like call centers. Income from outsourcing or expert services at the global level is estimated to be some \$600 billion in 2014. The industry is composed of four segments: (1) outsourcing of information technology, (2) outsourcing of business processes, (3) outsourcing of knowledge processes, and (4) outsourcing of engineering and R&D. Some of the strategies involve:

- Creating an outsourcing cluster linking universities, the private sector, and government
- Developing training programs in coordination with universities and companies in this sector, which includes offering students' internships in various companies within the sector
- Attracting large operations offering Business Process Outsourcing (BPO) and integrated outsourcing services through aggressive and personalized promotion
- Promoting the development of local software for eventual export, through promotion of current legislation
- Expanding the aerospace and defense sector, paying special attention to outsourcing in the area of research and development

"Under the Flag" industries. "Under the Flag" businesses as specified in federal legislation (for example, the *Buy America Act*, the International Traffic in Arms Regulations, etc.), represent over \$500 billion at the federal level. Puerto Rico aspires to contact and attract companies dedicated to cyber-security, Big Data, and remote aviation, among others. Some of the strategies involve:

- Creating a division within PRIDCO dedicated exclusively to generating business between Puerto Rican companies and the federal government
- Contacting and attracting companies in seven industrial sectors identified as a first priority due to their expected growth: cyber-security, Big Data, unmanned avionics, "command, control, communications, and intelligence," services to the traditional aerospace industry, textiles, and call centers

- Expanding the FeCC training programs for (SMBs) in Puerto Rico that wish to sell products and services to federal agencies

Maintenance, repair, and operations (MRO) cluster. The MRO market is projected to total \$76 billion by 2022, some 36% more than the current \$56 billion. The trend shows that airlines are increasingly interested in outsourcing their secondary activities. An MRO cluster could represent as much as \$600 million to the GDP, with important effects on small and medium businesses and local economies, since aside from the principal services of assembly, cleaning, and coordination, most of the jobs are provided by businesses with fewer than 10 employees. Puerto Rico's MRO cluster would be located in the aerospace triangle in the northwest part of the island, whose center is in Aguadilla. This region has proved itself to be one of the driving forces of the aviation industry in Puerto Rico, with emphasis on the aerospace industry. Some of the strategies involve:

- Beginning operations of Lufthansa Technik in 2015
- Creating an MRO school in Aguadilla and adapting its program to current university curricula in order to ensure quantity and quality of the labor force, helping to support the industry's development
- Identifying opportunities for setting up businesses and creating links to the existing aerospace industry in Puerto Rico

A highly educated and skilled workforce supports this sector. Puerto Rico is home to two of the top 35 largest engineering programs in the nation at the Polytechnic University of Puerto Rico and the UPR, Mayagüez Campus. More than 20,000 degrees in science, engineering and technology are awarded each year by colleges on the Island.

Tourism.

A Destination Marketing Organization (DMO) seeking to professionalize and give consistency to Puerto Rico's brand as a major tourist destination in the Caribbean and be recognize as a premier destination globally.

Tourism marketing strategies beyond the act, will be based on the needs and trends of the national and global market. Through the DMO, PR will present as a trademark the culture, natural and human resources culinary, entertainment and entertainment industries. Among its first initiatives should be the creation of a permanent brand for Puerto Rico. The brand will help leave behind the inconsistency of the brand and quicker reactions to market needs.

The Corporation for the Promotion of Puerto Rico as a Destination (DMO) has officially begun its work on August 2, 2017, with the appointment of its board members and the creation of internal committees. The DMO seeks to professionalize and give consistency

to Puerto Rico's brand as a major tourist destination in the Caribbean and be recognized as a premier destination globally.

Small and medium sized businesses (SMBs) and microbusinesses

According to the Global Entrepreneurship Monitor, the percentage of 18 to 64 years old population (individuals involved in any stage of entrepreneurial activity excluded) who are latent entrepreneurs and who intend to start a business within three years is at 12%, representing a significant opportunity for its expansion. SMBs have greater flexibility in adapting to market changes and taking on innovative projects. SMBs generate one out of every four jobs created in Puerto Rico. In recent years SMBs and microbusinesses in Puerto Rico have been particularly hurt by the local and global economic crisis. Government recognizes the role that SMBs and microbusinesses should be playing in the island's economic and social development, which is why it demands to establish a solid public policy aimed at strengthening the sector. Some of the principal strategies involve:

- Creating a program of permanent incentives for SMBs, including partial reimbursement of salary paid to people hired for new jobs created by the eligible SMB; partial salary reimbursement for the creation of new jobs related to exports in particular; partial salary reimbursement in order to retain jobs in eligible SMBs with net operational losses, among other
- Creating "one-stop shops" to offer support and service to SMBs, helping simplify and reduce the costs of establishing or expanding a business
- Establishing a mentoring and technical support program for SMBs and microbusinesses

AEROSPACE

Virtually overnight, Puerto Rico has become a magnet for some of the world's leading aviation and aerospace companies. With a long history of manufacturing expertise and a strong pipeline of engineering talent, the island has attracted multimillion-dollar investments by these and other major firms during recent years:

- Pratt & Whitney is performing engineering design and analysis for the jet turbine power plants of several aircraft from its Infotech Aerospace Service's division.
- Lockheed Martin has more than 60 employees conducting software support services from Puerto Rico for its global operations.
- Honeywell Aerospace employs more than 400 people in its shared services center that supports the company's global defense and space business.
- Hamilton Sundstrand manufactures aircraft climate control and electronic systems at its Puerto Rico plant, employing more than 900 workers.

- AXON Group and Pratt & Whitney established a world-class SAP services center that will create 300 jobs.
- Florida Turbine and ESSIG Research both have major operations on the island.

Employment Forecasting

According to PRDOLHR's Long-Term Occupations Demand 2016-2026, the Health Care and Social Assistance sector will gain the most jobs, while the Government, Good Producing and Manufacturing subsectors will post the largest decreases.

Table II-5. Industries estimated job increases (%), 2016-2026

NAICS Code	NAICS Title	Est. 2016	Est. 2026	Net gain	% gain
0	Total All Industries	1,023,002	1,032,676	9,674	0.95
620000	Health Care and Social Assistance	84,926	98,260	13,334	15.7
722000	Food Services and Drinking Places	61,076	69,774	8,698	14.24
720000	Accommodation and Food Services	76,398	86,566	10,168	13.31
102600	Leisure and Hospitality	79,767	90,298	10,531	13.2
102400	Professional and Business Services	112,731	124,308	11,577	10.27
560000	Administrative and Support and Waste Management and Remedial	71,865	79,150	7,285	10.14
561000	Administrative and Support Services	68,247	74,361	6,114	8.96
6010	Self Employed Workers, All Jobs	116,532	126,860	10,328	8.86
102100	Trade, Transportation, and Utilities	176,405	183,350	6,945	3.94
440000	Retail Trade	130,070	134,404	4,334	3.33
102500	Education and Health Services	183,303	188,883	5,580	3.04
102000	Services Providing	793,029	805,373	12,344	1.56
610000	Educational Services	98,377	90,623	-7,754	-7.88
611000	Educational Services	98,377	90,623	-7,754	-7.88
101300	Manufacturing	74,508	66,904	-7,604	-10.21
101000	Goods Producing	113,441	100,443	-12,998	-11.46
102800	Government	162,801	133,429	-29,372	-18.04
900000	Government	162,801	133,429	-29,372	-18.04
920000	State Government, Excluding Education and Hospitals	94,188	71,243	-22,945	-24.36
999200	State Government, Excluding Education and Hospitals	94,188	71,243	-22,945	-24.36

PRDOLHR: Long Term Projections by Industry 2016-2026.

According to PRDOLHR's Long-Term Occupations Demand 2016-2026, the industries with largest estimated job decrease will be Apparel Manufacturing (-37.38%); Electronics and Appliance Stores (-32.19%); Leather and Allied Product Manufacturing (-29.95%); Primary Metal Manufacturing (-27.25%); and Nonmetallic Mineral Product Manufacturing (-25.99%). Manufacturing industries are facing the largest decrease in job opening among all the industries, especially raw material manufacturing.

Table II-7. Industries with largest estimated job decreases (%), 2016-2026

NAICS Code	Industry	Est. 2016	Projected 2026	Net Change (2016-2026)	% Change (2016-2026)
315000	Apparel Manufacturing	5,465	3,396	-2,069	-37.86
443000	Electronics and Appliance Stores	3,327	2,256	-1,071	-32.19
316000	Leather and Allied Product Manufacturing	551	386	-165	-29.95
331000	Primary Metal Manufacturing	356	259	-97	-27.25
327000	Nonmetallic Mineral Product Manufacturing	1,743	1,290	-453	-25.99
334000	Computer and Electronic Product Manufacturing	4,472	3,371	-1,101	-24.62
920000	State Government, Excluding Education and Hospitals	94,188	71,243	-22,945	-24.36
237000	Heavy and Civil Engineering Construction	3,949	3,024	-925	-23.42
236000	Construction of Buildings	12,525	9,725	-2,800	-22.36
212000	Mining (except Oil and Gas)	611	491	-120	-19.64
324000	Petroleum and Coal Products Manufacturing	630	508	-122	-19.37
112000	Animal Production	2,708	2,239	-469	-17.32
322000	Paper Manufacturing	1,147	950	-197	-17.18
425000	Wholesale Electronic Markets and Agents and Brokers	989	830	-159	-16.08
238000	Specialty Trade Contractors	10,299	8,712	-1,587	-15.41
711000	Performing Arts, Spectator Sports, and Related Industries	964	822	-142	-14.73
325000	Chemical Manufacturing	17,149	14,711	-2,438	-14.22
332000	Fabricated Metal Product Manufacturing	3,353	2,878	-475	-14.17
337000	Furniture and Related Product Manufacturing	1,169	1,004	-165	-14.11
323000	Printing and Related Support Activities	1,666	1,445	-221	-13.27
813000	Religious, Grantmaking, Civic, Professional, and Similar Org	3,785	3,283	-502	-13.26
335000	Electrical Equipment, Appliance, and Component Manufacturing	4,947	4,329	-618	-12.49
321000	Wood Product Manufacturing	287	252	-35	-12.2
930000	Local Government, Excluding Education and Hospitals	54,743	48,498	-6,245	-11.41
326000	Plastics and Rubber Products Manufacturing	1,439	1,292	-147	-10.22

Source: PRDOLHR, Long Term Projections by Industry 2016-2026.

II(a)(1)(A)(iii) Employers' Employment Needs. With regard to the industry sectors and occupations identified in (A)(i) and (ii), provide an assessment of the employment needs of employers, including a description of the knowledge, skills, and abilities required, including credentials and licenses.

Industries

In 2016, industries with the vacancies most difficult to fill were Administrative Services and Support; Other Service and Educational Service, while those with the highest rate in vacancies were in Public Administration and Utilities (which has an important component of public employment).

Table II-8. Industries with most difficult to fill vacancies, vacancies' rates and over-qualification rates, 2016

Major industrial sector or subsector	Establishments with difficult to fill vacancies (%)	Job vacancies' rate (%)	Over-qualification rate (%)
Administrative Services and Support	67.5	3.4	41.4
Other services	60.5	4.4	34.3
Educational Services	66.8	1.3	29.2
Retail Trade	52.0	.7	52.6
Construction	100	.4	48.7
Health Care and Social Services	72.3	1.7	31.1
Finance and Insurance	50.0	.9	34.7
Manufacturing	41.3	1.8	49.4
Real Estate and Leasing	29.7	9.7	46.9
Professional, Scientific, Technical Services	64.7	2.3	33.3
Wholesale Trade	38.8	.9	57.7
Information	22.3	1.8	69.4
Public Administration	34.1	23.8	51.5
Accommodation and Food Services	46.4	.9	57.7
Art, Entertainment and Recreation	-	1.4	46.9
Management	0.0		100.0
Agriculture and Mining	65.4	0.7	-
Transportation and Warehousing	54.6	1.5	36.3
Utilities	0.0	28.1	-

Source: PRDOLHR, Skills and Occupations in High-Demand, 2016.

Occupancies

According to the PRDOLHR, in 2016, out of the ten occupancies with vacancies most difficult to fill, eight required some type of licensure. Among the occupations with above average estimated job increases between 2016 and 2026 (see Table II-9), eight require some type of licensure and the top three are related to pharmacy.

Table II-9. Occupancies with most difficult to fill vacancies, 2016

SOC Code	Occupation Title	Education	Credential or exp.	Vacancy Rate (%)
29-2011	Medical and Clinical Laboratory Technologists	PS	Board Licensure	5.5
41-2031	Retail salespersons	HS	OJT	3.6
25-1072	Nursing Instructors and Teachers, Postsecondary	PS	Board Certification	2.6
43-9061	Office Clerks, General	HS	OJT	3.6
51-3011	Bakers	HS	OJT	2.6
25-2031	Secondary School Teachers, Except Special and Career/Technical Education	PS	State Licensure	2.3
49-3023	Automotive Service Technicians and Mechanics	TC	Board Licensure	2.2
41-1011	First-Line Supervisors of Retail Sales Workers	HS	OJT	2.1
29-1062	Family and General Practitioners	DM	Board Licensure	2.0

Source: PRDOLHR, Skills and Occupations in High-Demand, 2016.

Table II-10 shows skills most required to an employee, for the PY 2015 & 2016, by the PRDOL employee survey. Punctuality and responsibility remain as the skills most required to the employees surveyed, followed by the Ability to follow instructions; Verbal and written communication; Teamwork and Ability to provide customer - service. The main required skills can be labeled as soft skill. Employers seek employees with responsibility and commitment to the company, while the technical skills are in second place.

Table II-10. Top skills required from an employee, 2015, 2016

Skill	Respondents selecting 2015 (%)	Respondents selecting 2016 (%)
Punctuality and responsibility	75.3	80.7
Ability to follow instructions	79.0	78.2
Verbal and written communication	66.0	66.2
Teamwork	60.6	62.9
Ability to provide customer-service	53.4	54.7
Capacity to learn	52.9	52.3
Ability to identify and solve problems	45.1	46.1
Ability to anticipate and prevent problems	46.1	43.4
Ability to work under pressure	36.5	38.3
Self-motivation, initiative and dynamism	32.8	36.3
Ability to work with minimal supervision	32.0	30.1
Ability to make decisions	32.7	29.4

Skill	Respondents selecting 2015 (%)	Respondents selecting 2016 (%)
Mathematical skills	21.8	22.8
Capacity to adapt to new situations and demands	25.0	20.5
Leadership	15.0	19.5
English proficiency	19.6	19.1
Familiarity with computer use	17.8	18.5
Capacity to determine priorities and meet deadlines	17.8	16.9
Attention to detail at work	14.1	14.1
Ability to perform repetitive tasks	11.3	13.6
Critical thinking	13.1	13.5
Interpersonal skills	13.0	13.3
Ability to operate machinery and equipment	10.2	10.8
Ability to organize, plan and manage resources	9.0	9.1
Goal-oriented	8.0	8.5
Technical or academic knowledge	7.4	8.5
Knowledge of information technology	6.3	7.6
Negotiation ability	6.8	6.6
Creativity and innovation	5.4	4.3

Source: PRDOLHR, LAUS, Skills and Occupations in High Demand, 2016.

II(a)(1)(B) Workforce Analysis. The Unified State Plan must include an analysis of the current workforce, including individuals with barriers to employment, as defined in section 3 of WIOA.

This population must include individuals with disabilities among other groups in the State and across regions identified by the State. Individuals with barriers to employment include displaced homemakers; low-income individuals; Indians, Alaska Natives, and Native Hawaiians; individuals with disabilities, including youth who are individuals with disabilities; older individuals; ex-offenders; homeless individuals, or homeless children and youths; youth who are in or have aged out of the foster care system; individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers; farmworkers (as defined at section 167(i) of WIOA and Training and Employment Guidance Letter No. 35-14); individuals within 2 years of exhausting lifetime eligibility under the Temporary Assistance for Needy Families program; single parents (including single pregnant women); and long-term unemployed individuals. Other groups include veterans, unemployed workers, and youth, and others that the State may identify.

II(a)(1)(B)(i) Employment and Unemployment. Provide an analysis of current employment and unemployment data, including labor force participation rates, and trends in the State.

Demographics

Since 2004, when it peaked, Puerto Rico's total population has declined uninterruptedly, from 3,826,878 persons in 2004, down to 3,474,182 in 2015. As shown in Table II-11, the median age of Puerto Rico's population has surged from 37.7 in 2014 to 39.4 in 2016. The age group with the highest number of persons in 2016 was the 45 to 54-year-old. The age group with the highest population loss was the 20 to 24-year-old; meanwhile, the population from 25 to 34-year-old was the age group with the highest increase when compared to 2014. Act 199-2010, known as the *Demographic Challenge Act*, warned that the lower the birth rate and the higher the growth rate of the older population and higher life-expectancy levels, the slower the economic development of Puerto Rico would become.

Table II-11. Estimated population by sex and age, US (2016) and Puerto Rico (2014 and 2016)

Sex and Age Cohort	US 2016 (as % of total pop.)	PR 2014	PR 2016	PR 2014- 2016 Change	Change (%)
Total population	318,558,162	3,548,397	3,529,385	-19,012	-0.54%
Male	156,765,322	1,704,416	1,685,787	-18,629	-1.11%
Female	161,792,840	1,843,981	1,843,598	-383	-0.02%
Under 5 years	19,866,960	184,288	183,553	-735	-0.40%
5 to 9 years	20,508,363	208,167	205,875	-2,292	-1.11%
10 to 14 years	20,664,537	234,338	228,843	-5,495	-2.40%
15 to 19 years	21,256,545	252,830	250,906	-1,924	-0.77%
20 to 24 years	22,612,610	268,097	255,123	-12,974	-5.09%
25 to 34 years	43,397,907	430,490	444,100	13,610	3.06%
35 to 44 years	40,548,400	458,266	448,616	-9,650	-2.15%
45 to 54 years	43,460,466	461,164	463,546	2,382	0.51%
55 to 59 years	21,291,513	219,054	219,153	99	0.05%
60 to 64 years	18,770,229	214,692	215,438	746	0.35%
65 to 74 years	26,355,308	354,429	351,317	-3,112	-0.89%
75 to 84 years	13,768,433	192,214	189,519	-2,695	-1.42%
85 years and over	6,056,891	70,368	73,396	3,028	4.13%
Median age (years)	37.7	39.3	39.4		

Source: ACS 2016, 1-year estimates.

Employment, Unemployment and Labor Force Participation

Puerto Rico remains the jurisdiction with the highest unemployment among all states, and the only one with a double-digit unemployment rate. Even more significant, Puerto Rico's low labor force participation rate remains not just as the lowest among all jurisdictions but also one of the lowest when compared to any country.

Table II-12. Average labor force, participation in labor force and unemployment, 2000-2016

FY	Non-institutionalized civil population 16 years and over (0,000s)	Labor force (0,000s)	Labor force participation rate (%)	Unemployment (0,000s)	Unemployment rate (%)
2000	2,797	1,292	46.2	142	11.0
2001	2,808	1,274	45.4	133	10.5
2002	2,842	1,301	45.8	156	12.0
2003	2,870	1,337	46.6	162	12.1
2004	2,884	1,339	46.4	152	11.4
2005	2,886	1,357	47.0	144	10.6
2006	2,899	1,410	48.6	156	11.0
2007	2,906	1,413	48.6	150	10.6
2008	2,908	1,355	46.6	152	11.2
2009	2,910	1,325	45.5	181	13.7
2010	2,915	1,285	44.1	210	16.3
2011	2,914	1,246	42.8	202	16.2
2012	2,901	1,211	41.7	184	15.2
2013	2,882	1,182	41.0	165	14.0
2014	2,866	1,162	40.6	167	14.3
2015	2,851	1,138	39.9	148	13.0
2016	2,863	1,283	44.8	226	17.7

Source: PRDOLHR, LAUS. Not seasonally adjusted.

Table II-13. Population by age in labor force (%), 2016, 2014, 2010

Age	US 2014	PR 2014	PR 2010	PR 2016
16 years and over	63.30	44.50	47.20	44.8
16 to 19 years	37.60	16.10	16.80	14.90%
20 to 24 years	74.10	51.40	51.80	51.50%
25 to 44 years	82.00	71.80	73.60	61.40%
45 to 54 years	79.90	62.00	62.60	42.80%
55 to 64 years	64.20	33.40	35.10	25.30%
65 to 74 years	25.30	9.50	10.10	9.70%
75 years and over	6.30	2.90	2.70	2.90%

Source: ACS 2014, 2010, 2016, 1-year estimates.

Individuals with barriers to employment

Displaced homemakers

Data are currently unavailable to accurately characterize this group as defined in section 3(16) of WIOA. ACS data estimated unpaid family workers in the population 16 years and older in the labor force to be just over 1,800 individuals in 2014; nevertheless, the PRDOLHR reported that the total domestic laborers accounted for 30.3% of civil non-institutionalized population not in the labor force in December 2015 or, approximately, 509,000 individuals, roughly equivalent to 44% of all individuals in the labor force.

Low-income individuals

The Nutrition Assistance Program (NAP) in the Government of Puerto Rico provides a monthly benefit for food to low-income households that include both cash and noncash portions. Three-fourths (75 percent) of the benefit must be redeemed for eligible food items through electronic benefit transfer (EBT) at certified retailers. The remaining 25 percent may be redeemed in cash. The entire benefit (both the noncash and cash portions) is to be used only for the purchase of eligible food items. With approximately \$1.78BN, the program accounted for 28% of all of the Government's federal grant sources in FY2016.

Table II-14. Receipt of food stamps in the past 12 months by local area, 2016

	Households	Received food stamps in the past 12 months	Received food stamps in the past 12 months (%)
United States	76,958,064	10,760,879	14.0
Puerto Rico	887,662	343,756	38.7
Bayamón-Comerío	56,771	17,433	30.7
Caguas-Guayama	105,208	36,020	34.2
Carolina	45,363	13,373	29.5
Guaynabo-Toa Baja	70,654	20,463	29.0
La Montaña	38,325	18,939	49.4
Manatí-Dorado	64,604	26,166	40.5
Mayagüez-Las Marías	21,666	8,920	41.2
Noreste	55,780	23,171	41.5
Noroeste	65,782	28,838	43.8
Norte Central	74,738	34,599	46.3
Ponce	39,260	18,169	46.3
San Juan	89,103	27,192	30.5
Sur Central	42,429	19,383	45.7
Sureste	58,806	25,346	43.1
Suroeste	59,173	25,744	43.5

Source: ACS 2016, 5-year estimates.

Table II-15. Receipt of food stamps in the past 12 months by local area, 2014

	Received Food Stamps	Married couple families as % of Total	Married couple families with no workers (%)	Single male headed families as % of Total	Single male headed families with no workers (%)	Single female headed families as % of Total	Single female headed families with no workers, (%)
United States	10,760,879	5.2	15.9	1.6	22.5	7.2	28.4
Puerto Rico	343,756	15.4	51.3	4.3	43.9	19.0	58.3
Bayamón-Comerío	17,433	11.6	44.4	3.0	47.2	16.1	55.4
Caguas-Guayama	36,020	13.4	49.7	3.9	37.8	16.9	58.5
Carolina	13,373	7.8	34.6	3.0	27.7	18.6	45.1
Guaynabo-Toa Baja	20,463	9.7	45.5	3.1	36.3	16.1	51.9
La Montaña	18,939	22.7	54.7	5.6	45.6	21.1	63.0
Manatí-Dorado	26,166	17.5	62.8	4.5	57.2	18.5	67.1
Mayagüez-Las Marías	8,920	13.4	50.9	3.6	49.6	24.1	63.9
Noreste	23,171	17.0	48.4	4.1	35.7	20.4	47.9
Noroeste	28,838	21.4	52.9	5.5	43.3	17.0	64.8
Norte Central	34,599	22.6	53.7	5.2	56.6	18.5	62.8
Ponce	18,169	16.2	44.6	4.9	35.8	25.2	59.7
San Juan	27,192	6.5	39.8	2.8	36.3	21.2	55.1
Sur Central	19,383	18.1	52.1	6.2	39.1	21.3	55.4
Sureste	25,346	18.6	54.0	4.9	48.6	19.6	60.0
Suroeste	25,744	19.9	55.8	5.2	49.9	18.4	65.3

Source: ACS 2014, 5-year estimates, Receipt of Food Stamps/SNAP

Individuals with disabilities, including youth who are individuals with disabilities; individuals with disabilities among other groups in the State and across regions identified by the State.

Table II-16. Employment status by disability of population 16 and over, 2009-2014

Status and Disability Type	2009	2010	2011	2012	2013	2014
Employed population with a disability (%)	8.8	8.1	9.1	8.6	8.5	8.6
Hearing difficulty	4	4	4	4	4	4
Vision difficulty	1	2	2	3	2	2
Cognitive difficulty	3	3	3	2	3	3
Ambulatory difficulty	2	1	1	1	1	1
Self-care difficulty	6	6	6	6	6	6
Independent living difficulty	5	5	5	5	5	5
Unemployed population with a disability (%)	10.7	9.5	11.5	11.4	11.4	11.1

Status and Disability Type	2009	2010	2011	2012	2013	2014
Hearing difficulty	5	4	5	5	5	5
Vision difficulty	2	3	3	3	3	3
Cognitive difficulty	1	1	1	1	1	1
Ambulatory difficulty	3	2	2	2	2	2
Self-care difficulty	6	6	6	6	6	6
Independent living difficulty	4	5	4	4	4	4
Population not in labor force with a disability (%)	31.2	29.0	30.0	30.3	30.1	30.4
Hearing difficulty	6	6	6	6	6	6
Vision difficulty	4	4	4	4	4	4
Cognitive difficulty	3	2	2	2	2	2
Ambulatory difficulty	1	1	1	1	1	1
Self-care difficulty	5	5	5	5	5	5
Independent living difficulty	2	3	3	3	3	3

Source: ACS 2009-2014, 1-year estimates.

According to ACS estimates, the share of employed population with a disability in Puerto Rico (8.6% in 2014) is significantly higher than in the US (5.1% in 2014).

The PRVRA service statistics confirm ACS estimates for population 16 and over for the jobseeker population in in terms of distribution by type of disability.

Table II-17. Vocational rehabilitation service customers by type of disability, PY 2015

Type of disability	Category total	As % of all customers
Vision	2,342	3.96
Hearing	1,467	2.48
Hearing and vision	3	0.01
Speech	362	0.61
Physical/ambulatory	7,156	12.09
Respiratory	1,051	1.78
Another physical/ambulatory	3,886	6.57
Cognitive	26,541	44.86
Psychosocial	11,966	20.22
Other mental	3,084	5.21
Unidentified	1,312	2.21
Total	59,170	100.00

Source: PRVRA, Service statistics, PY2015

Table II-18. Employment outcomes of vocational rehabilitation services by major occupational group, PY 2015

SOC Code	Occupational major group	Total employment	As % of all customers
11	Management	83	2.82
13	Business and financial operations	46	1.56
15	Computer and mathematical	23	0.78
17	Architecture and engineering	111	3.77

SOC Code	Occupational major group	Total employment	As % of all customers
19	Life, physical and social sciences	45	1.53
21	Community and social services	47	1.60
23	Legal	13	0.44
25	Education, training and library	152	5.16
27	Art, design, entertainment, sports and media	85	2.89
29	Healthcare practitioners and technical	255	8.66
31	Healthcare support	107	3.64
33	Protective services	71	2.41
35	Food preparation and serving related	297	10.09
37	Building and grounds cleaning and maintenance	198	6.73
39	Personal care and service	186	6.32
41	Sales and related	315	10.70
43	Office and administrative support	308	10.47
45	Farming, fishing and forestry	17	0.58
47	Construction and extraction	53	1.80
49	Installation, maintenance and repair	125	4.25
51	Production	252	8.56
53	Transportation and material moving	101	3.43
55	Military specific	13	0.44
59	Homemaker	40	1.36
	Total	2,943	

Source: PRVRA, Service statistics, PY2015. Might not add to 100% due to rounding.

Table II-19. Employment status of persons with disabilities in civil non-institutionalized population, March 2014

Employment Status	Total	Male	Female
Civil non-institutionalized population (0,000s)	286	151	135
In Labor force (0,000s)	7	4	3
Participation rate (%)	2.5	2.7	2.2
Employed (0,000s)	5	3	2
Not in labor force (0,000s)	280	148	132

Source: PRDOLHR, Special survey: persons with disabilities in Puerto Rico, March 2014.

Please, refer to section VI for additional information regarding youth who are individuals with disabilities.

Older individuals

As shown in Table II-13, population 55 to 64 dropped slightly between 2010 and 2014, while the population 65 and over rose by more than 13%. According to ACS estimates (see Table II-11, above), in Puerto Rico, the participation in labor force for persons 55 and older has stayed at approximately the same level during the past decade; nevertheless, the level of participation in labor force for persons 55 to 64 comes up to about half of the states' (64.2% in 2014), and further dropping to nearly a third of that of the rest of the states in the 65 to 74 year old's' cohort. Population aging poses significant challenges in all

respects, including workforce development and, particularly, to the efforts aimed at jumpstarting the participation in labor force of the population.

Close to 125 participants benefitted from PRDOLHR's Senior Community Service Employment Program in FY 2015. Additionally, the PRAFC, ascribed to the PRDOF, serviced older adults through the Retired and Seniors Volunteer Program.

Ex-offenders

According to the 2015's Inmate Population Profile completed by the PRDCR, 57% (6,826) of the male inmates were unemployed before entering the correctional system, and the figure jumped to 79% (330) for females. In 2015, 67 service requests were referred to the PRDOLHR for assistance in finding work for inmates that were close to extinguish their sentence (within 120 days).

Table II-20. Sociodemographic characteristics of the inmate population, 2015

Characteristics	Male	As % of total count	Female	As % of total count
Count	12,074		420	
Could not read	335	2.8	6	1.4
Had CTE or trade studies	1,781	14.8	64	15.2
Educational attainment				
K-6th grade	1,211	10.0	32	7.6
7th-11th grade	5,019	41.6	152	36.2
High-school diploma or GDE	4,928	40.8	138	32.9
Some college or Associate degree	680	5.6	37	8.8
Bachelor's degree	166	1.4	25	6.0
Master's degree or higher	35	0.3	4	1.0
Employment status prior to reclusion				
Employed	5,223	43.3	90	21.4
Unemployed	6,826	56.5	330	78.6
Not in labor force prior to reclusion				
Student	175	1.4	6	1.4
Disabled person	126	1.0	7	1.7
Retired person	29	0.2	0	0.0
Field of previous work experience				
None	2,686	22.2	288	68.6
Construction	2,328	19.3	6	1.4
Cleaning and maintenance	821	6.8	9	2.1
Commerce	692	5.7	9	2.1
Auto repair and maintenance	615	5.1	3	0.7
Barber and hairdresser	386	3.2	12	2.9
Food related	362	3.0	18	4.3
Retail trade	268	2.2	3	0.7
Agriculture	256	2.1	2	0.5
General services	151	1.3	5	1.2
Protective services	136	1.1	13	3.1
Technical services	99	0.8	0	0.0
Illicit activities	64	0.5	1	0.2

Characteristics	Male	As % of total count	Female	As % of total count
Art and entertainment	63	0.5	0	0.0
Management	51	0.4	1	0.2
Health related	50	0.4	17	4.0
Professional	36	0.3	0	0.0
Refrigeration	35	0.3	0	0.0
Computers	29	0.2	2	0.5
Communications and public relations	22	0.2	2	0.5
Education related	19	0.2	1	0.2
Sports related	12	0.1	0	0.0
Secretarial and administrative support	9	0.1	6	1.4
Science	7	0.1	1	0.2
Engineering	7	0.1	0	0.0
Finance	4	0.0	1	0.2
Real estate	3	0.0	0	0.0
Mixed occupations	180	1.5	17	4.0

Source: PRDCR, Inmate population profile, 2015.

According to the PRDCR, in the preceding two years, 927 total requests for employment assistance for the inmate and juvenile ex-offender population have been processed, including 41 from inmates about (within 120 days) to complete their sentence. Out of these, 280 were filed by ex-offenders, and 647 came via referral from the correctional institutions. All 886 cases (excepting those requested by inmates) were referred to the PRDOLHR's case managers and resulted in the outcome of 130 ex-offenders being successfully reinserted in the workforce. The follow-up of cases has consistently posed challenges due to mobility and, in some cases, loss of communication with ex-offenders.

Please, refer to section II(a)(2)(A) for a description of workforce activities related to incarcerated individuals and ex-offenders.

Homeless individuals, or homeless children and youths

When compared to the rest of the States, Puerto Rico has the least number of homeless persons "In Families" and homeless Veterans, both as a share of the total homeless population and as a ratio of homeless persons in those categories to total population; nevertheless, is surges to the top in terms of "Chronically Homeless" individuals. These are persons that are either unaccompanied homeless individuals with a disabling condition who has been continuously homeless for a year or more, or unaccompanied individuals with a disabling condition who has had at least four episodes of homelessness in the past three years.

Table II-21. Homeless persons by category, 2010-2015

	Total	In Families	Veterans	Chronically Homeless
2015	4,518	589	164	1,756
2014	4,132	700	87	2,063

	Total	In Families	Veterans	Chronically Homeless
2013	4,128	658	82	2,130
2012	3,212	718	116	3,251
2011	2,900	554	137	3,564
2010	4,149	428	NA	2,218
2009	4,070	340	NA	2,195
2008	3,012	344	NA	2,917
2007	4,309	395	NA	2,904

Source: HUD, Annual Homeless Assessment Report to Congress, 2007-2015.

In the 2013 point-in-time count for the Puerto Rico Balance Continuum of Care, 28% of respondents identified the loss of employment as the main cause for homelessness; 9% had an ambulatory disability; and 2% a developmental disability. The Adult Education and Family Literacy program served 4 homeless individuals in the school year 2015.

Youth who are in or have aged out of the foster care system

The PRAFC administers both the Chafee Education and Training Vouchers Program and the Chafee Foster Care Independent Living.

Youth are enrolled in the Foster Care program at age 14. They must be attending school, must not bear dispositive measures pursuant to Act 88-1986 (*Youth Offenders Act*), should not have disabling mental health conditions and must be subject to the temporary or permanent custody of the PRDOF. An intermediate program stage comprises individuals age 16 to 18, followed by a completion or exit stage for 19 to 21-year-old. Through the stages, training and workshop activities in the independent living program are geared towards preparing participants to face adulthood. Topics involve money management, sex education, violence, rights and responsibilities, as well as moral and spiritual values.

As part of its 2015-2019 Child and Family Service Plan, the PRDOF targeted the youth in transition as a population in greater risk of maltreatment, particularly youth who have been in foster care that face even greater challenges because they have grown up with hardships that constitute risk factors. The Foster Care Independent Living Program empowers the youths in making a satisfactory transition to self-sufficiency by providing a continuum of services which includes: educational and/or vocational training; career planning; job preparation, search and retention, skills development; health; housing; ability to work as a member of a team; prevention of substance use/abuse (drugs, alcohol & tobacco); activities to develop emotional maturity; counseling to promote management of unresolved emotional problems; violence prevention; skills in identifying and accessing services; parenting skills development; orientation on legal rights and responsibilities; cultural awareness activities; workshops and counseling to develop a sense of moral social

responsibility; socialization skills development (conflict resolution, problem solving, anger management, communication skills); and mentoring.

In FY 2015, the program kept 64 lodges duly licensed and 151 apartments duly certified as safe alternatives for the location of the youth. Residential services are offered through a variety of options. Among these, agency operated facilities including a group home for children with disabilities and a group home for girls.

As described in the 2015-2019 Appendix to the Independent Living State Plan, the Educational Training Vouchers (ETV) program motivates and prepares youth participants to reach and complete their postsecondary educational, or vocational training and technical goals. In FY 2015, through ETV funds, a total of 204 youth individuals enrolled in postsecondary studies; 195 youth individuals received services and training to obtain employment; and 80 got and kept a job for 6 months or more, of which 67 were part-time and 12 full-time.

In regard to employment eligibility in the foster Care program, in FY 2015, it served 2,298 participants 16 years and older that were eligible for employment, and had an outcome of 279 individuals, 21 years or older, that met the permanency plan for age emancipation and were also employed.

Please, refer to section II(a)(2)(A) for a description of workforce activities related to the Foster Care program.

Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers

According to the Puerto Rico Institute of Statistics, in 2010 (last year surveyed), illiteracy rate among population ages 18 to 34 climbed to 2.7%; 8.2% for ages 35 to 54; and 13.5% for 55 and older. Difficulty in reading is somewhat more common than writing: 2.2%, 5.0% and 12.2% for the referenced age cohorts, respectively, confronted difficulties in writing, compared to 1.9%, 5.8% and 11.5% in reading. Close to three-fourths of adults, albeit number that steeply decreased with aging, expressed their availability to be trained in mathematics, reading and writing to improve their job performance.

Since the language of instruction in Puerto Rico is Spanish (although English language is a required course from 1st to 12th grade) a low degree of proficiency in English language is not uncommon; therefore, English as Second Language is still critical, particularly for adult education participants who need to develop their written and conversational skills.

For further information on individuals who are English language learners, please, refer to sections II(a)(2)(A) and VI for information on program activities under Adult Education and Family Literacy.

Eligible migrant and seasonal farmworkers (as defined at section 167(i) of WIOA and Training and Employment Guidance Letter No. 35-14)

Please, refer to the AOP in section VI, below.

Individuals within 2 years of exhausting lifetime eligibility under the Temporary Assistance for Needy Families (TANF) program

In December 2016, a total of 8,168 adult participants were assisted through TANF, of which 7,678 were females (94.94%) and 490 (5.06%) were males. According to the HHS Office of Family Assistance, the average monthly number of recipients for FY 2016 in Puerto Rico was 23,057, down from 36,421 participants in FY 2010. A total of 3,332 participants completed 36 or more months of participation and thus were within 2 years of exhausting lifetime eligibility under the TANF program.

As highlighted in the State Plan of Operations (2015-2017), the fact that 59% of poor families are living in female-headed households, and 68.5% of those have children under 18 years old, cause it to be more difficult to connect TANF families to the economic mainstream. Moreover, 80% of female-headed families are dependent on TANF and the Nutritional Assistance Program benefits as their principal sources of income.

Table II-22. TANF families by public assistance program 2010, 2016

	Total families	Medical assistance (%)	NAP (%)	NAP monthly avg. (\$)	Subsidized housing (%)
2010	13,003	99.5	98.2	285.57	29.0
2013	13,226	99.4	99.1	284	34.7
2014	12,207	99.5	99.2	278	34.7
2015	10,838	99.9	99.4	271	35.4
2016	8,834	99.5	99.2	268	38.2

Source: HHS, Office of Family Assistance.

Table II-23. TANF adult recipients by educational attainment 2010, 2016

	Adult Recipients	Less than 10th grade	10 - 11th grade	12th grade	More than high school
2010	11,343	23.7	17	49.4	9.8
2013	12,257	19.7	14.1	54.3	12.0
2014	11,339	16.1	12.5	57.0	14.4
2015	10,149	16.9	12.6	57.8	12.7
2016	8,168	15.4	10.9	60.1	13.5

Source: HHS, Office of Family Assistance.

Table II-24. TANF Adult Recipients by Employment Status 2010, 2016

	Adult Recipients	Male Recipients	Employed (%)	Female Recipients	Employed (%)
2010	11,342	696	2.2	10,646	2.6
2013	12,257	849	0.6	11,409	1.6
2014	11,339	714	0.6	10,626	3.2
2015	10,149	716	1.3		9,433
2016	8,168	490	1.3	7,678	3.4

Source: HHS, Office of Family Assistance.

As shown below, employment caused over a fifth of all cases closures, which positioned Puerto Rico in 17th place with the highest share of closures due to employment among all jurisdictions in 2010, and in 14th place in 2016.

Table II-25. TANF Closed-Case Families by Reason for Closure 2010, 2016

	Total families	Employment	Federal time limit	Voluntary closure	Other
2010	2,866	20.0	5.2	36.9	37.8
2013	15,428	21.6	5.0	32.5	40.9
2014	7,500	22.4	4.5	33.8	11.6
2015	5,382	24.8	2.9	34.9	12.5
2016	5,035	27.0	5.2	33.8	12.4

Source: HHS, Office of Family Assistance.

Please, refer to section III(a)(2)(B) for further information on TANF as a required partner.

Single parents (including single pregnant women)

According to ACS data, in 2014, 11.6% of all households were single-female headed households with children under 18 years of age. That figure expanded four-fold for public housing participants: out of 49,953 households under the State's PHA jurisdiction, 49.75% were single-female headed.

Long term unemployed individuals

According to ETA data, 2017's total exhaustions were the lowest since 1988, when 47,000 cases were reported. Also, 2015's U-1 underutilization level was at its lowest level since 2008.

Table II-24. Unemployment insurance exhaustions, 2006-2014

	2010	2011	2012	2013	2014	2015	2016	2017
Exhaustions	79,910	58,028	48,714	52,957	41,068	35,663	29,336	26,686

Source: ETA, Unemployment Insurance Financial Data Handbook.

Table II-25. Alternative measure of labor underutilization U-1, persons unemployed 15 weeks or longer, as a percent of the civilian labor force, 2007-2015

	2007	2008	2009	2010	2011	2012	2013	2014	2015
As % of labor force	1.7	2.4	3.9	4.4	4.8	4.0	3.8	3.7	3.3

Source: PRDOLHR, Labor force survey, 2015. Not seasonally adjusted.

Other groups: veterans

There were 93,240 veterans in Puerto Rico in September 2014, of which 5,331 were females and 58,149 were 65 years and older. By 2020, the veteran population is expected to decrease to 77,028.

Table II-26. Veteran population by age, September 2014

Total	24 years or less	25 to 54	55 to 64	65 and over
93,240	1,210	19,505	14,376	58,149

Source: VA National Center for Veterans Analysis and Statistics, 2014.

Employment services for disabled veterans are managed by the PRDOLHR. In FY 2015, out of 312 service requests, it achieved an outcome of 110 employed individuals, up from 78 in 2014. The Department also manages the Local Veterans' Employment Representatives (LVER) program, through which 600 veterans were serviced in FY 2015, up from 393 in the previous year. It also implements the Disabled Veterans Outreach (DVOP) program, which has a 28% entering employment rate target; 60% employment retention rate target and a six-months average earnings target of \$11,302.

II(a)(1)(B)(ii) Labor Market Trends. Provide an analysis of key labor market trends, including across existing industries and occupations.

Demographics

Table II-27. Net outmigration to States, 2007-2014

	Out	In	Net
2007	-60,388	29,136	-31,252
2008	-67,862	33,734	-34,128
2009	-62,074	32,108	-29,966
2010	-59,985	31,732	-28,253
2011	-76,218	22,649	-53,569
2012	-74,500	20,044	-54,456
2013	-73,846	24,652	-49,194
2014	-83,844	19,771	-64,073

	Out	In	Net
Total	-558,717	213,826	-344,891

Source: ACS 1-year estimates, 2007-2014.

The constraints imposed by both aging and a historic low natural growth rate are stiffened by the increased outflow of migrants to the States, which swelled from 28,153 net out-migrants in 2010 to 64,073 in 2014, as shown in Table II-49, below. The median age of out-migrants is 28.5 years of age (median for Puerto Rico population was estimated to be 39.3 years in 2014), close to two-thirds are under 35 years old, and the one-fourth that has postsecondary education includes an increasing portion of middle-skilled persons.

Table II-28. Profile of out-migrant to other States, 2010-2013

	With post-secondary education As % of total out-migrants	With post-secondary education % with less than bachelor's degree	Median age of out-migrants	Out-migrants under 35 years old (% of total)
2010	22.96	49.27	28.1	62.14
2011	26.06	50.82	29.0	62.08
2012	30.61	54.92	29.3	61.35
2013	26.51	55.39	28.5	62.33

Source: Puerto Rico Institute of Statistics, Migrant profile report, CY2010-CY2013.

The numbers tend to confirm the hypothesis that Puerto Rican migrants are more closely linked to blue-collar employment than professional or white-collar jobs, and thus not representative of a "Brain Drain" but instead of a more generalized and widespread type of out-migration. According to the Puerto Rico Institute of Statistics, net out-migration in 2013 was the highest for the following occupation groups: Production (3,735, 2nd in 2010 at 2,029); Office and administrative support (2,958, 1st in 2010 at 2,695); Food preparation and service related (2,890); Protective services (1,890); Sales and related (1,829, 3rd in 2010 at 2,028); Business and financial operations (1,575); Management (1,416); Personal care (1,398); and Construction and extraction (1,269).

Puerto Rico's labor market confronts the detrimental effects of a natural population growth rate nearing zero by 2016-2017; an accelerating out-migration pace; and a labor force participation of 39.9% (ranked globally as one of the lowest by the World Bank). From FY 2010 to FY 2014, Puerto Rico lost 4.8% of its population. According to the PRDOLHR, by 2050, population 60 and over may represent 37.2% of the total.

Labor Force Participation

The Federal Reserve Bank of New York (FRBNY) characterized Puerto Rico's labor market as being "quite weak" (An update in the competitiveness of the Puerto Rican economy, 2014). Along with the wide gap that persists between the unemployment rates of Puerto Rico and the US (13.6% versus 5.1%, respectively, in August 2015), the low rate of participation in labor force, particularly among less educated workers was stressed by the FRBNY as the most important factor in the labor market limiting the island's competitiveness. It further urged to counter skills atrophy through the promotion of work experience and creating jobs and encouraging active participation in the labor market, especially for the young uneducated.

As was also iterated in September 2015, by the Puerto Rico Fiscal and Economic Growth Plan prepared by the Working Group for the Fiscal and Economic Recovery of Puerto Rico, pursuant to Executive Order 2015-022, the FRBNY highlighted the detrimental load imposed by the minimum wage on the young and relatively unskilled workers (since the wage adds up to close to 80% of per capita income, for a full-time job). The FSRBNY concluded that to "the extent that young workers are priced out of the labor market, they will miss out on the opportunity to acquire on-the-job training early in their working lives".

Both entities also identified the "discouraging effects" that federal transfers to individuals could have on labor force participation. Those transfers amounted to 38% of personal income in FY 2014. As previously mentioned (see Table II-41, above), close to 39% of all households received food stamps in 2014, of which 54% had no workers in household and 29% corresponded to female single-headed households. Some research has also identified disability insurance as discouraging, "considering the low earnings of Puerto Rican workers and the high levels of unemployment". The reach of the informal economy, ranging anywhere between 2.5 and 14% of GDP in 2004, is another explanation being offered to account for the low levels of labor participation rates.

Government Downsizing

Government total employment is back to the 1995 level. As shown in Table II-29, below, the Government's central government has shed close to 75,000 jobs in the last two decades, almost a third, and has caused a drop in the ratio of government employment to total employment of 23.7%. From 2009 to 2015, 56,000 of those 75,000 jobs were lost to the effects of government downsizing policies, more than 20,000 in 2010 alone. According to the PRDOLHR's long-term projections, another 12,890 jobs will be lost by the Government's central government up to 2022. Furthermore, current fiscal constraints seem adverse to the possibility of expanding employment in the public sector.

Table II-29. Government employment, 1995-2018

	Total Employment 0,000s	Govt. 0,000s	Govt. As % of Total	Fed. 0,000s	Fed. As % of Govt.	State 0,000s	State As % of Govt.	Local 0,000s	Local As % of Govt.
1995	914.8	303.6	33.2	14.3	4.7	237.1	78.1	52.2	17.2
1996	948.1	307.5	32.4	14.1	4.6	239.9	78.0	53.5	17.4
1997	989.2	318.9	32.2	14.5	4.6	250.0	78.4	54.4	17.1
1998	993.2	309.5	31.2	14.5	4.7	241.8	78.1	53.2	17.2
1999	1004.4	302.2	30.1	15.2	5.0	234.1	77.5	52.9	17.5
2000	1017.1	286.1	28.1	18.2	6.3	217.1	75.9	50.9	17.8
2001	1021.1	282.7	27.7	15.0	5.3	212.0	75.0	55.7	19.7
2002	1003.5	288.7	28.8	14.5	5.0	216.1	74.9	58.1	20.1
2003	1011.7	297.7	29.4	15.2	5.1	226.2	76.0	56.3	18.9
2004	1036.3	303.4	29.3	15.2	5.0	229.0	75.5	59.3	19.5
2005	1053.3	307.8	29.2	14.9	4.8	229.9	74.7	63.1	20.5
2006	1051.2	302.5	28.8	14.8	4.9	225.5	74.6	62.1	20.5
2007	1036.1	298.1	28.8	14.6	4.9	221.6	74.3	61.9	20.8
2008	1013.7	297.7	29.1	14.8	5.0	218.4	73.4	64.5	21.7
2009	965.3	300.7	30.2	15.1	5.0	218.5	72.7	67.1	22.3
2010	931.6	276.5	29.3	16.6	6.0	197.8	71.5	62.1	22.5
2011	924.2	260.0	28.2	15.0	5.8	185.3	71.3	59.7	23.0
2012	940.1	258.4	27.7	14.5	5.6	184.1	71.2	59.9	23.2
2013	926	254.6	27.2	14.3	5.6	179.8	70.6	60.5	23.8
2014	909.8	238.0	26.0	13.8	5.8	169.0	71.0	55.2	23.2
2015	901.3	231.6	25.6	14.1	6.1	162.5	70.2	55.0	23.8
2016	927.2	228.1	24.6	14.8	6.4	68	29.8	56.4	24.7
2017	866.8	213.1	24.6	14.7	6.9	63.9	29.9	52.2	24.5
2018	841.5	205.9	24.5	14.6	7.1	56.8	27.5	51.6	25.0

Source: BLS, All Employees, In Thousands, 1995-2018. Not seasonally adjusted.

Occupations

In terms of occupations, the largest number of jobs added between 2010 and 2014 went for Retail Salespersons (41-2031), with 5,100. As shown in Table II-5, the occupation with the largest expansion, among those that added the most jobs was Personal Care Aides (39-9021), almost tripling. Among those that added the most jobs, Teacher Assistants (25-9041) is the one requiring a postsecondary credential with largest number added; Industrial Engineering Technicians (17-3026), the one requiring associate degree; Special Education Teachers (25-2059), the one requiring bachelor's degree, followed by Postsecondary Vocational Education Teachers (25-1194) requiring a Master's. Electrical

and Electronic Equipment Assemblers (51-2022) had the largest increase in hourly wages with 21%, followed by Pharmacy Technicians (29-2052) with 11.5%.

On the flip side, Elementary School Teachers Except Special Education (25-2021), Secondary School Teachers Except Special and Career/Technical Education (25-2031), Kindergarten and Elementary School Special Education Teachers (25-2052), and All Other Postsecondary Teachers (25-1199), were among the five occupations with the largest losses in jobs count for the period. The drop is mainly attributable to PRDE's and central government's downsizing through retirement incentives. This is also consistent with the recent spike in educational services UI claimants. When those occupations are discounted, the largest drops were posted for Food Preparation Workers (35-2021) losing 7270; All Other Business Operations Specialists (13-1199) with 4,320; and Team Assemblers (51-2092) with 3,840. All lost close to 40% of their respective laborers.

As shown in Table II-30, below, from June 2012 to 2015, unemployment claims by age groups shifted 6% of the share that has, for the most part, remained identical since 2009, from the cohorts of claimants under 35 years old to that of 35 and over. By a similar percentage, the proportion of claimants changed by gender, between 2009 and 2012, in favor of females. It has remained steady since. By occupation group, public administration shows the steepest decline in its share of total claimants, from 13% in 2009 to 4.1% in 2015; manufacturing also dropped from 12.5% to 7.3%. As mentioned, in June 2015, the largest share of claims went to educational services, with almost a fifth of total claims.

Table II-30. Characteristics of Unemployment Insurance Claimants, 2009, 2012, 2015

Category	Dec-16	%	Dec-17	%	Jun-18	%
Total	17,172	100%	22,632	100	14,907	100
Male	9,293	54.10%	9,671	42.70%	6,277	42.10%
Female	7,879	45.90%	12,961	57.30%	8,630	57.90%
Information Not Available						
Years of Age	17,172	100%	22,632	100%	14,907	100%
Younger than 22	433	0.00%	401	1.50%	262	1.50%
22-24	1,019	98.60%	1,018	3.90%	737	4.30%
25-34	4,850	0.50%	5,550	21.30%	3,900	22.80%
35-44	4,449	0.90%	6,044	23.20%	4,008	23.40%
45-54	3,741	0.00%	5,358	20.60%	3,342	19.50%
55-59	1,375	0.00%	2,068	7.90%	1,245	7.30%
60-64	819	1.20%	1,252	4.80%	833	4.90%
65 and older	470	0.10%	916	3.50%	575	3.40%
Information Not Available	16	4.40%	25	0.10%	5	0.00%
Industry	17,172	100%	22,632	100%	14,907	100%
Agriculture/Forestry/Fishing and Hunting	768	4.30%	934	4.00%	471	3.10%
Mining	18	0.10%	16	0.10%	3	0.00%
Utilities	11	0.10%	9	0.00%	5	0.00%

Category	Dec-16	%	Dec-17	%	Jun-18	%
Construction	1,681	9.40%	857	3.60%	603	3.90%
Manufacturing	2,270	12.70%	1,552	6.60%	1,027	6.70%
Wholesale Trade	479	2.70%	479	2.00%	276	1.80%
Retail Trade	1,440	8.00%	2,456	10.40%	1,452	9.40%
Transportation and Warehousing	386	2.20%	264	1.10%	526	3.40%
Information	216	1.20%	350	1.50%	196	1.30%
Finance and Insurance	329	1.80%	232	1.00%	228	1.50%
Real Estate, Rental and Leasing	217	1.20%	230	1.00%	110	0.70%
Professional/Scientific/Technical Services	638	3.60%	927	3.90%	472	3.10%
Management of Companies and Enterprises	9	0.10%	48	0.20%	63	0.40%
Administration and Support/Waste Management and Remedial Services	2,465	13.70%	1,869	7.90%	1,870	12.20%
Educational Services	1,385	7.70%	1,986	8.40%	3,469	22.60%
Healthcare and Social Assistance	1,430	8.00%	2,515	10.70%	1,017	6.60%
Arts, Entertainment and Recreation	150	0.80%	280	1.20%	62	0.40%
Accommodations and Food Services	1,408	7.80%	2,383	10.10%	1,264	8.20%
Other Services (except Public Administration)	234	1.30%	444	1.90%	275	1.80%
Public Administration	1,010	5.60%	2,432	10.30%	912	5.90%
Information Not Available	628	3.50%	2,369	10.10%	606	3.90%

Source: ETA, Characteristics of the Unemployment Insurance Claimants, June 2018, 2017, and 2016.

II(a)(1)(B)(iii) Education and Skill Levels of the Workforce. Provide an analysis of the educational and skill levels of the workforce.

According to ACS estimates, 28% of population 25 and over did not have a High School diploma in 2014, and close to two-thirds of those completed less than 9th grade. The proportion without HS diploma is slightly higher for males (30.2%) than for females (26.2%). HS completers or with GDE amounted to 26.8% of the population 25 years and over, while the gender proportions reached 29.6% for males and 24.3% females.

Median educational attainment in 2014 among civilian population 16 years and older was 12.9 years of study, and 75.9% completed high school. For those in the labor force, the median rose to 13.2 years. For those who did not finish high school, the participation rate in the labor market was below 20.0%, followed by those with a high school diploma, with 37.6%. Those with 13 or more years of school, had an average participation rate of 54.9%.

The participation rate increased consistently with educational level. The difference in the participation rate among those with a high school diploma and some college is the largest, being almost 20%.

In terms of unemployment rates by education level, those with a high school diploma had a rate of 17.2%, followed by those with at least a year of postsecondary education with 16.1%, an associate degree or CTE at 14.4%, and 8.7% among those with a bachelor's degree. The fact that the participation rates increase, and unemployment rates decreased as educational level increased indicates that the educational attainment has a significant effect on the employment status of people in Puerto Rico, and thus should be a prominent strategy in curbing low participation rates and lowering unemployment.

Table II-31. Percentage of population 25 years and over by sex and educational attainment, 2014

Sex	Population 25 years and over	Less than HS graduate (%)	HS graduate or GDE (%)	Some college or associate degree (%)	Bachelor's degree or higher (%)
Male	1,125,525	30.2	29.6	20.9	19.3
Female	1,305,950	26.2	24.3	22.2	27.3
Total	2,431,475	28.0	26.8	21.6	23.6

Source: ACS 5-year estimates, 2014.

In terms of postsecondary education, 23.6% attained higher education, while 21.6% got some college, vocational education or associate degree. Females outnumbered males in both groups and by almost three times the number of graduates of middle-skilled education in higher education. In contrast, in 2014, according to OES data, 28.4% of occupied jobs required no credential, 41.6% required high school diploma or equivalent, only 7.7% required post-secondary credentials lower than a bachelor's degree, and 22.3% required bachelor or a higher degree.

Educational attainment for population 25 years and over in the proposed local workforce areas have minor variations along one prevalent trend: the concentration of population with highest attainment levels in the local areas that comprise the San Juan Metropolitan area.

Table II-32. Percentage of population 25 years and over by local area and educational attainment, 2014

Local Area	Population 25 years and over	Less than HS graduate (%)	HS graduate or GDE (%)	Some college or associate degree (%)	Bachelor's degree or higher (%)
Bayamón-Comerío	151,202	30.75	26.80	23.15	19.30
Caguas-Guayama	281,972	26.33	28.88	21.16	23.71
Carolina	116,777	18.00	25.60	27.70	28.80
Guaynabo-Toa Baja	190,460	23.03	25.75	22.80	28.43
La Montaña	104,576	31.68	30.04	21.12	17.14

Local Area	Population 25 years and over	Less than HS graduate (%)	HS graduate or GDE (%)	Some college or associate degree (%)	Bachelor's degree or higher (%)
Manatí-Dorado	175,003	33.29	27.48	21.69	17.74
Mayagüez-Las Marías	61,463	38.05	29.35	14.60	18.00
Noreste	154,874	29.29	32.72	21.10	16.86
Noroeste	182,734	35.56	25.83	19.43	18.80
Norte Central	196,294	34.24	26.20	20.51	18.71
Ponce	105,182	27.00	28.90	19.20	24.90
San Juan	263,116	22.80	20.90	22.10	34.20
Sur Central	108,185	30.62	31.34	19.04	19.04
Sureste	162,797	31.00	29.89	21.00	18.10
Suroeste	176,840	34.19	29.97	17.58	18.26
Puerto Rico	2,431,475	28.00	26.80	21.60	23.60

Source: ACS 5-year estimates, 2014.

The relation between the progression in educational attainment and poverty status is telling in terms of gender. A significant improvement in poverty status is achieved by males from non-HS level to HS, by experimenting a 20% decrease in poverty status, and 15% successively when progressing onto postsecondary and higher education levels. Meanwhile, for females, the step down in poverty status from non-HS to HS comes to just 11%, with a further 8% when attaining post-secondary education lower than a bachelor's degree. As shown in Table II-33, below, for females, the leap comes only after higher education attainment when the drop-in poverty status equals an additional 25% in relation to just attaining post-secondary education below a bachelor's degree. Nevertheless, still at this level males fare 1.5 times better.

Table II-33. Poverty rate of population 25 years and over for whom poverty status is determined by sex and educational attainment, 2014

Sex	Population 25 years and over	Less than HS graduate (%)	HS graduate or GDE (%)	Some college or associate degree (%)	Bachelor's degree or higher (%)
Male	1,125,525	60.2	40.0	25.4	10.9
Female	1,305,950	63.4	52.4	40.3	15.3
Total	2,431,475	61.8	46.1	33.7	13.6

Source: ACS, 5-year estimates, 2014.

A similar gender bias arises when considering the improvement in median earnings by school attainment. In relation to earnings is also worth noting that the increase resulting from obtaining a high-school diploma or equivalent is 62% larger than that resulting from further obtaining a post-secondary credential lower than a bachelor's degree.

Table II-34. Median earnings (\$) of population 25 years and over by sex and educational attainment, 2014

Sex	Population 25 and over	Less than HS graduate	HS graduate or GDE	Some college or associate degree	Bachelor's degree
Male	17,936	11,493	15,509	19,169	30,771
Female	18,595	9,596	13,564	16,265	24,189
Total	18,262	10,891	14,902	17,373	26,135

Source: ACS, 5-year estimates, 2014.

Among youth population, 16 to 24 years, the proportion with school attainment less than high school or equivalent is less than half of that of adults.

Table II-35. Percentage of population 16 to 24 years by sex and educational attainment, 2014

Sex	Population 16 to 24	Less than HS graduate (%)	HS graduate or GDE (%)	Some college or associate degree (%)	Bachelor's degree or higher (%)
Male	187,587	17.0	32.4	46.4	4.2
Female	183,613	10.7	25.1	55.3	8.9
Total	371,200	13.9	28.8	50.8	6.5

Source: ACS 5-year estimates, 2014.

Among youth, attainment by local area iterates the concentration of higher education in the Metropolitan Area of San Juan, with Noreste having the lowest percentage. Postsecondary education below a bachelor's degree tends to be more widespread in its geographical distribution, with Norte Central and Carolina having the largest percentage of youth in this attainment level.

Table II-36. Percentage of population 16 to 24 years by local area and educational attainment, 2014

Local Area	Population 16 to 24 years	Less than HS graduate (%)	HS graduate or GDE	Some college or associate degree	Bachelor's degree or higher
Bayamón-Comerio	22,626	12.40	30.80	50.50	6.30
Caguas-Guayama	42,084	11.96	33.76	48.21	6.08
Carolina	17,118	8.90	26.70	57.40	7.10
Guaynabo-Toa Baja	28,538	13.98	29.25	49.03	7.78
La Montaña	17,897	11.74	35.02	47.12	6.10
Manatí-Dorado	26,550	17.89	29.06	47.91	5.16

Local Area	Population 16 to 24 years	Less than HS graduate (%)	HS graduate or GDE	Some college or associate degree	Bachelor's degree or higher
Mayagüez-Las Marías	14,625	23.55	28.35	41.70	6.40
Noreste	24,356	14.09	33.70	49.08	3.10
Noroeste	25,689	17.24	23.89	51.19	7.69
Norte Central	29,504	13.95	23.34	57.80	4.90
Ponce	17,216	13.40	30.50	48.40	7.60
San Juan	37,790	14.70	26.40	49.60	9.20
Sur Central	17,583	13.12	34.64	47.08	5.12
Sureste	24,245	15.14	31.00	48.60	5.26
Suroeste	25,379	17.08	28.84	48.13	5.99
Puerto Rico	371,200	13.90	28.80	50.80	6.50

Source: ACS 5-year estimates, 2014.

As reported by the DE, for the fiscal year 2017, the dropout rates in the public education system reached 2.89%; with 1.66% in primary education (4,311 out of 259,847), 5.05% in secondary education (5,991 out of 118,676) and 6.93% in special education (1,068 out of 15,419). The school districts with the highest dropout rates are Carolina (4.14%), Toa Baja (3.98%) and San Juan I (3.88%).

From academic year 2012 to 2015, there was a decreased of 13,519 career and technical education students, albeit there was an increase of 39 new institutions created in that period. The drop-in graduates was more than double for females (7,992) than for males (3,762). Among local workforce areas, the largest drop in graduates was located in San Juan, which amassed close to two-thirds of the aggregate loss for all areas. Caguas-Guayama had the largest increase among the areas than gained in career and technical graduates.

In terms of its effects on nontraditional employment, the gender distribution of individuals enrolled in career and technical education and meeting the threshold of less than 25% for either gender, is noticeable for some instructional programs. According to the PREC, occupations in Architecture and engineering, Education, training and library services, Healthcare support, Protective services, Construction and extraction, Installation, maintenance and repair, and Transportation and Materials moving, were significantly skewed by gender.

Table II-37 – Technical and Vocational Programs by Academic Area

CIP Code	Instructional program	Programs
12	Personal and Culinary Services	477
51	Health professions and related programs	400
47	Mechanic and repair technologies/technicians	239

52	Business Management, Marketing and Related Support Services	150
46	Construction trades	87
11	Computer and information sciences and support services	81
15	Engineering technologies and engineering-related fields	78
50	Visual and performance Arts	70
43	Security and Protective Services	51
13	Education	48
19	Family and consumer sciences/human sciences	46
31	Parks, Recreation, Leisure and Fitness Studies	26
48	Precision production	21
1	Agriculture, agriculture operations and related sciences	18
22	Legal Professions and Studies	18
0	Other	15
3	Natural Resource and Conservation	13
10	Communications technologies/technicians and support services	11
30	Multi/Interdisciplinary Studies	10
32	Basic Skills Education	8
53	Programs for Series 53	5
49	Transportation and materials moving	4
23	English Language and Literature/Letters	4
37	Personal awareness and self-improvement	3
40	Physical sciences	3
14	Engineering	1
Total		1,887

Source: PREC, PLDEUC, academic year 2016-17.

Table II-38. CTE graduates by sex, 2016-17

CIP Code	Instructional program	Total graduates	Male	Female
12	Personal and Culinary Services	8,918	2,992	5,926
51	Health professions and related programs	6,197	1,617	4,580
47	Mechanic and repair technologies/technicians	3,004	2,842	162
52	Business Management, Marketing and Related Support Services	1,282	465	817
15	Engineering technologies and engineering-related fields	1,191	1,137	54
46	Construction trades	920	881	39
50	Visual and performance Arts	737	240	497
13	Education	628	335	293

CIP Code	Instructional program	Total graduates	Male	Female
48	Precision production	627	615	12
11	Computer and information sciences and support services	499	406	93
19	Family and consumer sciences/human sciences	443	80	363
10	Communications technologies/technicians and support services	298	268	30
43	Security and Protective Services	280	163	117
31	Parks, Recreation, Leisure and Fitness Studies	242	147	95
53	Programs for Series 53	224	119	105
1	Agriculture, agriculture operations and related sciences	127	45	82
24	Liberal Arts and Sciences	47	20	27
37	Personal awareness and self-improvement	45	9	36
30	Multi/Interdisciplinary Studies	40	22	18
36	Leisure and Recreational Activities	14	4	10
14	Engineering	14	13	1
32	Basic Skills Education	11	6	5
49	Transportation and materials moving	11	10	1
22	Legal Professions and Studies	10	5	5
26	Biological and Biomedical Sciences	3	3	
3	Natural Resource and Conservation	0		
Total		25,812	12,444	13,368

Source: PREC, PLDEUC, academic year 2016-17.

II(a)(1)(B)(iv) Skills Gaps. Describe apparent skills gaps.

A bachelor's degree or higher credential was required for 3 out of every 4 occupations requiring postsecondary education in 2014. Close to 63% required no formal credential or attainment beyond high school or equivalent. The requirement of bachelor's degree or higher drops to less than 2 in 3 for 2022 projected job openings. However, a bachelor's degree or higher attainment represented less than a third of total postsecondary completions in FY 2014. In fact, education in the middle-skilled level of postsecondary education has grown exponentially in the past decade, going from just under 7,000 graduates in FY 2001 to almost 28,000 in FY 2014; career and technical education has also climbed from close to 10,000 graduates in FY 2006 to more than 34,000 in FY 2014.

Comparatively, State funding for CTE in FY 2015 was less than one-tenth of that of higher education: \$87.4 million and \$931.5, respectively.

Table II-39. Educational attainment, completions and required educational level by occupations and job openings, 2016, 2026

Educational attainment level	Completions FY2014	Occupations in May 2016 requiring	Projected job openings in 2026 requiring
High school or less, or no formal credential	NA	571,290	271,062
Post-secondary education, less than bachelor's degree	53,586	76,430	30,617
Bachelor's degree or higher	27,468	255,210	55,864

Source: PREC, PLEDUC-CES 2016-2017. USDOL, OES 2016. PRDOLHR, Long-term occupation projections: 2016-2026.

A skills gap approximation was derived from correlating occupational data (OES estimates for 2014), new and replacement growth (PRDOLHR's Long-Term Projections 2012-2022) and post-secondary completions (PREC, 2010-2014), via cross-walking two-digit CIP Codes to SOC Codes, purging duplicates and weighing against projected job openings. An estimation of the projected gap between post-secondary completions and projected openings was reached for 2012-2022, as shown below:

Table II-40. Postsecondary skills and occupations gap estimation, 2016-2026

SOC Code	Occupation title	Education attainment	Lag Surplus
11-9199	Managers, All Other	Bachelor's degree	-12,576
13-2011	Accountants and Auditors	Bachelor's degree	-5,270
53-3032	Heavy and Tractor-Trailer Truck Drivers	Postsecondary nondegree award	-3,733
25-2021	Elementary School Teachers, Except Special Education	Bachelor's degree	-3,127
43-3031	Bookkeeping, Accounting, and Auditing Clerks	Some college, no degree	-2,420
25-2031	Secondary School Teachers, Except Special and Career/Technical Education	Bachelor's degree	-1,913
11-1021	General and Operations Managers	Bachelor's degree	-1,595
11-3031	Financial Managers	Bachelor's degree	-937
25-4031	Library Technicians	Postsecondary nondegree award	-837
21-1099	Community and Social Service Specialists, All Other	Master's degree	-717
21-1021	Child, Family, and School Social Workers	Bachelor's degree	-682
11-3011	Administrative Services Managers	Bachelor's degree	-600
11-9021	Construction Managers	Bachelor's degree	-500

SOC Code	Occupation title	Education attainment	Lag Surplus
29-1123	Physical Therapists	Doctoral or professional degree	-441
27-1024	Graphic Designers	Bachelor's degree	-367
13-1022	Wholesale and Retail Buyers, Except Farm Products	Bachelor's degree	-332
19-2031	Chemists	Bachelor's degree	-332
19-4099	Life, Physical, and Social Science Technicians, All Other	Associate degree	-320
13-1121	Meeting, Convention, and Event Planners	Bachelor's degree	-309
41-4011	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	Bachelor's degree	-294
19-4031	Chemical Technicians	Associate degree	-288
21-1029	Social Workers, All Other	Bachelor's degree	-266
23-2011	Paralegals and Legal Assistants	Associate degree	-239
11-9151	Social and Community Service Managers	Bachelor's degree	-173
11-2022	Sales Managers	Bachelor's degree	-171
11-2021	Marketing Managers	Bachelor's degree	-163
27-1011	Art Directors	Bachelor's degree	-148
21-1023	Mental Health and Substance Abuse Social Workers	Bachelor's degree	-144
29-1031	Dietitians and Nutritionists	Bachelor's degree	-139
13-1111	Management Analysts	Bachelor's degree	-136
27-3091	Interpreters and Translators	Bachelor's degree	-132
27-3031	Public Relations Specialists	Bachelor's degree	-128
19-1012	Food Scientists and Technologists	Bachelor's degree	-124
13-1071	Human Resources Specialists	Bachelor's degree	-123
19-2041	Environmental Scientists and Specialists, Including Health	Bachelor's degree	-118
13-1023	Purchasing Agents, Except Wholesale, Retail, and Farm Products	Bachelor's degree	-106
13-2051	Financial Analysts	Bachelor's degree	-102
25-2032	Career/Technical Education Teachers, Secondary School	Bachelor's degree	-97
13-2072	Loan Officers	Bachelor's degree	-87
27-3041	Editors	Bachelor's degree	-83
27-3043	Writers and Authors	Bachelor's degree	-76
11-3061	Purchasing Managers	Bachelor's degree	-74
27-3022	Reporters and Correspondents	Bachelor's degree	-73
53-2021	Air Traffic Controllers	Associate degree	-63
53-5021	Captains, Mates, and Pilots of Water Vessels	Postsecondary nondegree award	-57

SOC Code	Occupation title	Education attainment	Lag Surplus
41-3031	Securities, Commodities, and Financial Services Sales Agents	Bachelor's degree	-56
13-2041	Credit Analysts	Bachelor's degree	-56
19-4091	Environmental Science and Protection Technicians, Including Health	Associate degree	-56
13-2053	Insurance Underwriters	Bachelor's degree	-55
19-2099	Physical Scientists, All Other	Bachelor's degree	-52
25-2022	Middle School Teachers, Except Special and Career/Technical Education	Bachelor's degree	-50
13-2031	Budget Analysts	Bachelor's degree	-50
13-2081	Tax Examiners and Collectors, and Revenue Agents	Bachelor's degree	-46
27-2022	Coaches and Scouts	Bachelor's degree	-45
19-1022	Microbiologists	Bachelor's degree	-41
13-1081	Logisticians	Bachelor's degree	-40
13-2052	Personal Financial Advisors	Bachelor's degree	-34
11-3051	Industrial Production Managers	Bachelor's degree	-34
11-9039	Education Administrators, All Other	Bachelor's degree	-34
43-9111	Statistical Assistants	Bachelor's degree	-34
11-9031	Education Administrators, Preschool and Childcare Center/Program	Bachelor's degree	-32
13-2061	Financial Examiners	Bachelor's degree	-32
13-1021	Buyers and Purchasing Agents, Farm Products	Bachelor's degree	-25
13-1051	Cost Estimators	Bachelor's degree	-25
19-1099	Life Scientists, All Other	Bachelor's degree	-24
13-2099	Financial Specialists, All Other	Bachelor's degree	-23
53-2011	Airline Pilots, Copilots, and Flight Engineers	Bachelor's degree	-23
27-1021	Commercial and Industrial Designers	Bachelor's degree	-23
25-2012	Kindergarten Teachers, Except Special Education	Bachelor's degree	-16
19-3031	Clinical, Counseling, and School Psychologists	Doctoral or professional degree	-14
13-2021	Appraisers and Assessors of Real Estate	Bachelor's degree	-13
29-2051	Dietetic Technicians	Associate degree	-13
25-1191	Graduate Teaching Assistants	Bachelor's degree	-12
25-4013	Museum Technicians and Conservators	Bachelor's degree	-10
27-4011	Audio and Video Equipment Technicians	Postsecondary nondegree award	-10
13-2071	Credit Counselors	Bachelor's degree	-9
25-9099	Education, Training, and Library Workers, All Other	Bachelor's degree	-8

SOC Code	Occupation title	Education attainment	Lag Surplus
19-2021	Atmospheric and Space Scientists	Bachelor's degree	-7
19-4093	Forest and Conservation Technicians	Associate degree	-4
41-9031	Sales Engineers	Bachelor's degree	-2
25-1111	Criminal Justice and Law Enforcement Teachers, Postsecondary	Doctoral or professional degree	3
25-1054	Physics Teachers, Postsecondary	Doctoral or professional degree	3
25-1113	Social Work Teachers, Postsecondary	Doctoral or professional degree	4
25-1126	Philosophy and Religion Teachers, Postsecondary	Doctoral or professional degree	6
25-1193	Recreation and Fitness Studies Teachers, Postsecondary	Doctoral or professional degree	7
29-1066	Psychiatrists	Doctoral or professional degree	9
17-3011	Architectural and Civil Drafters	Associate degree	9
25-1125	History Teachers, Postsecondary	Doctoral or professional degree	10
25-1022	Mathematical Science Teachers, Postsecondary	Doctoral or professional degree	12
25-1052	Chemistry Teachers, Postsecondary	Doctoral or professional degree	12
25-1067	Sociology Teachers, Postsecondary	Doctoral or professional degree	13
25-1123	English Language and Literature Teachers, Postsecondary	Doctoral or professional degree	14
19-3011	Economists	Master's degree	19
25-1124	Foreign Language and Literature Teachers, Postsecondary	Doctoral or professional degree	19
25-1112	Law Teachers, Postsecondary	Doctoral or professional degree	19
25-1069	Social Sciences Teachers, Postsecondary, All Other	Doctoral or professional degree	19
25-4011	Archivists	Master's degree	21
25-1066	Psychology Teachers, Postsecondary	Doctoral or professional degree	21
25-1032	Engineering Teachers, Postsecondary	Doctoral or professional degree	23
29-1065	Pediatricians, General	Doctoral or professional degree	24
27-1025	Interior Designers	Bachelor's degree	24
25-1042	Biological Science Teachers, Postsecondary	Doctoral or professional degree	27

SOC Code	Occupation title	Education attainment	Lag Surplus
29-1063	Internists, General	Doctoral or professional degree	27
25-9021	Farm and Home Management Advisors	Master's degree	27
25-1021	Computer Science Teachers, Postsecondary	Doctoral or professional degree	35
29-1041	Optometrists	Doctoral or professional degree	35
27-4031	Camera Operators, Television, Video, and Motion Picture	Bachelor's degree	44
17-1011	Architects, Except Landscape and Naval	Bachelor's degree	47
25-1081	Education Teachers, Postsecondary	Doctoral or professional degree	47
29-2091	Orthotists and Prosthetists	Master's degree	52
19-1021	Biochemists and Biophysicists	Doctoral or professional degree	68
25-1011	Business Teachers, Postsecondary	Doctoral or professional degree	72
23-1022	Arbitrators, Mediators, and Conciliators	Bachelor's degree	73
29-1062	Family and General Practitioners	Doctoral or professional degree	75
29-1069	Physicians and Surgeons, All Other	Doctoral or professional degree	80
19-1041	Epidemiologists	Master's degree	93
27-4014	Sound Engineering Technicians	Postsecondary nondegree award	98
25-1121	Art, Drama, and Music Teachers, Postsecondary	Master's degree	100
29-1127	Speech-Language Pathologists	Master's degree	109
49-3011	Aircraft Mechanics and Service Technicians	Postsecondary nondegree award	113
19-3039	Psychologists, All Other	Master's degree	125
25-1199	Postsecondary Teachers, All Other	Doctoral or professional degree	142
29-1051	Pharmacists	Doctoral or professional degree	156
29-1125	Recreational Therapists	Bachelor's degree	187
21-2011	Clergy	Bachelor's degree	196
25-1071	Health Specialties Teachers, Postsecondary	Doctoral or professional degree	204
49-2092	Electric Motor, Power Tool, and Related Repairers	Postsecondary nondegree award	209
19-1042	Medical Scientists, Except Epidemiologists	Doctoral or professional degree	214

SOC Code	Occupation title	Education attainment	Lag Surplus
13-1032	Insurance Appraisers, Auto Damage	Postsecondary nondegree award	236
21-2099	Religious Workers, All Other	Bachelor's degree	244
29-1199	Health Diagnosing and Treating Practitioners, All Other	Master's degree	265
19-4011	Agricultural and Food Science Technicians	Associate degree	294
29-2056	Veterinary Technologists and Technicians	Associate degree	294
49-2095	Electrical and Electronics Repairers, Powerhouse, Substation, and Relay	Postsecondary nondegree award	375
29-1129	Therapists, All Other	Bachelor's degree	394
29-1122	Occupational Therapists	Master's degree	420
29-2053	Psychiatric Technicians	Postsecondary nondegree award	424
27-4012	Broadcast Technicians	Associate degree	449
15-2041	Statisticians	Master's degree	481
19-3051	Urban and Regional Planners	Master's degree	500
49-2094	Electrical and Electronics Repairers, Commercial and Industrial Equipment	Postsecondary nondegree award	604
25-9031	Instructional Coordinators	Master's degree	761
21-1022	Healthcare Social Workers	Master's degree	868
29-2033	Nuclear Medicine Technologists	Associate degree	895
49-2097	Electronic Home Entertainment Equipment Installers and Repairers	Postsecondary nondegree award	907
25-2011	Preschool Teachers, Except Special Education	Associate degree	1,019
29-9099	Healthcare Practitioners and Technical Workers, All Other	Postsecondary nondegree award	1,038
19-3099	Social Scientists and Related Workers, All Other	Bachelor's degree	1,054
21-1019	Counselors, All Other	Master's degree	1,115
21-1015	Rehabilitation Counselors	Master's degree	1,198
25-1072	Nursing Instructors and Teachers, Postsecondary	Master's degree	1,221
21-1014	Mental Health Counselors	Master's degree	1,298
21-1012	Educational, Guidance, School, and Vocational Counselors	Master's degree	1,308
31-9094	Medical Transcriptionists	Postsecondary nondegree award	1,376
25-4021	Librarians	Master's degree	1,407
11-9032	Education Administrators, Elementary and Secondary School	Master's degree	1,565
11-9033	Education Administrators, Postsecondary	Master's degree	1,617
49-2022	Telecommunications Equipment Installers and Repairers, Except Line Installers	Postsecondary nondegree award	1,855

SOC Code	Occupation title	Education attainment	Lag Surplus
29-2054	Respiratory Therapy Technicians	Associate degree	1,970
29-2031	Cardiovascular Technologists and Technicians	Associate degree	2,037
23-2091	Court Reporters	Postsecondary nondegree award	2,163
27-2012	Producers and Directors	Bachelor's degree	2,225
21-1091	Health Educators	Bachelor's degree	2,334
29-2032	Diagnostic Medical Sonographers	Associate degree	2,377
11-2011	Advertising and Promotions Managers	Bachelor's degree	2,545
11-2031	Public Relations and Fundraising Managers	Bachelor's degree	2,606
27-3011	Radio and Television Announcers	Bachelor's degree	2,612
49-2011	Computer, Automated Teller, and Office Machine Repairers	Some college, no degree	2,679
27-4032	Film and Video Editors	Bachelor's degree	2,714
31-9011	Massage Therapists	Postsecondary nondegree award	2,752
29-1126	Respiratory Therapists	Associate degree	2,814
19-4021	Biological Technicians	Bachelor's degree	3,203
31-2021	Physical Therapist Assistants	Associate degree	3,273
11-9111	Medical and Health Services Managers	Bachelor's degree	3,628
11-3021	Computer and Information Systems Managers	Bachelor's degree	4,070
29-2012	Medical and Clinical Laboratory Technicians	Associate degree	4,379
23-1011	Lawyers	Doctoral or professional degree	4,619
13-1041	Compliance Officers	Bachelor's degree	4,728
39-5092	Manicurists and Pedicurists	Postsecondary nondegree award	5,016
17-3023	Electrical and Electronics Engineering Technicians	Associate degree	5,076
49-9021	Heating, Air Conditioning, and Refrigeration Mechanics and Installers	Postsecondary nondegree award	5,083
17-3026	Industrial Engineering Technicians	Associate degree	5,280
17-2051	Civil Engineers	Bachelor's degree	5,367
31-9092	Medical Assistants	Postsecondary nondegree award	5,523
17-2112	Industrial Engineers	Bachelor's degree	5,546
29-2034	Radiologic Technologists	Associate degree	5,617
17-3022	Civil Engineering Technicians	Associate degree	5,624
17-3025	Environmental Engineering Technicians	Associate degree	5,629
17-3013	Mechanical Drafters	Associate degree	5,638
17-3029	Engineering Technicians, Except Drafters, All Other	Associate degree	5,650

SOC Code	Occupation title	Education attainment	Lag Surplus
17-3027	Mechanical Engineering Technicians	Associate degree	5,702
17-3012	Electrical and Electronics Drafters	Associate degree	5,714
17-3019	Drafters, All Other	Associate degree	5,736
17-3024	Electro-Mechanical Technicians	Associate degree	5,767
17-2141	Mechanical Engineers	Bachelor's degree	6,081
11-9041	Architectural and Engineering Managers	Bachelor's degree	6,384
17-2071	Electrical Engineers	Bachelor's degree	6,466
21-1092	Probation Officers and Correctional Treatment Specialists	Bachelor's degree	6,473
23-1023	Judges, Magistrate Judges, and Magistrates	Doctoral or professional degree	6,536
23-1021	Administrative Law Judges, Adjudicators, and Hearing Officers	Doctoral or professional degree	6,627
17-2199	Engineers, All Other	Bachelor's degree	6,643
17-2072	Electronics Engineers, Except Computer	Bachelor's degree	6,670
17-2061	Computer Hardware Engineers	Bachelor's degree	6,675
29-2011	Medical and Clinical Laboratory Technologists	Bachelor's degree	6,712
15-2031	Operations Research Analysts	Bachelor's degree	6,729
17-2081	Environmental Engineers	Bachelor's degree	6,738
17-1022	Surveyors	Bachelor's degree	6,765
17-2111	Health and Safety Engineers, Except Mining Safety Engineers and Inspectors	Bachelor's degree	6,773
11-9121	Natural Sciences Managers	Bachelor's degree	6,790
17-2021	Agricultural Engineers	Bachelor's degree	6,796
17-2031	Chemical Engineers	Bachelor's degree	6,803
17-2131	Materials Engineers	Bachelor's degree	6,825
29-2041	Emergency Medical Technicians and Paramedics	Postsecondary nondegree award	7,047
13-1199	Business Operations Specialists, All Other	Bachelor's degree	7,279
49-9062	Medical Equipment Repairers	Associate degree	7,878
49-2021	Radio, Cellular, and Tower Equipment Installers and Repairers	Associate degree	8,024
49-2091	Avionics Technicians	Associate degree	8,128
49-9061	Camera and Photographic Equipment Repairers	Associate degree	8,148
29-2055	Surgical Technologists	Postsecondary nondegree award	8,762
29-9011	Occupational Health and Safety Specialists	Bachelor's degree	8,829
11-9061	Funeral Service Managers	Associate degree	9,406
43-4161	Human Resources Assistants, Except Payroll and Timekeeping	Associate degree	10,241

SOC Code	Occupation title	Education attainment	Lag Surplus
25-1194	Vocational Education Teachers, Postsecondary	Bachelor's degree	13,584
29-2071	Medical Records and Health Information Technicians	Postsecondary nondegree award	15,769
39-5094	Skincare Specialists	Postsecondary nondegree award	16,536
49-3023	Automotive Service Technicians and Mechanics	Postsecondary nondegree award	18,039
31-9091	Dental Assistants	Postsecondary nondegree award	19,018
29-2061	Licensed Practical and Licensed Vocational Nurses	Postsecondary nondegree award	37,106
25-9041	Teacher Assistants	Some college, no degree	44,777

Source: PRDOLHR, Long-Term Projections, 2016-2026; OES, 2016; CEPR-PLEDUC, 2016-17.

Due to outmigration trends, a study commissioned by the PRDH set out to estimate the needs for physicians. The study (The Demand and Supply of Physicians in Puerto Rico: historical trends and forecasting 2013 to 2019), forecasted no shortage of physicians between 2016 and 2019, but instead a surplus of 601 physicians. In terms of Primary Care Physicians, the forecasted values would result in a surplus of 283 for the period.

The difference between the number of new professional licenses issued and the number of completions in related major instructional programs might reflect the pattern in certain occupations which historically have had a significant share of students accessing higher education in other States.

Table II-41. Local IHE completions and licenses issued for selected professions, FY 2014, CY 2015

CIP Code	Instructional program	Local IHE completions FY 2014	SOC Code	Occupation title	Licenses issued CY 2015
04	Architecture and environmental design	124	17-1011 17-1012	Architect and Landscape Architects	413
14	Engineering	1,289	17-2000 17-1020	Engineers and Land Surveyors	2,155
40	Physical and chemical sciences	324	19-2031	Chemists	419

Source: PRDH, Office of Regulation and Certification of Health Professionals Medical Licensure and Disciplinary Board; PRDOS, Auxiliary Secretariat of State Examining Boards.

II(a)(2) Workforce Development, Education and Training Activities Analysis. The Unified Plan must include an analysis of the workforce development activities, including education and training in the State, to address the education and skill needs of the workforce, as identified in (a)(1)(B)(iii) above, and the employment needs of employers, as identified in (a)(1)(A)(iii) above.

Please, see below.

II(a)(2)(A) The State’s Workforce Development Activities. Provide an analysis of the State’s workforce development activities, including education and training activities of the core programs and required and optional one-stop delivery system partners.

State government entities

The Government's workforce development activities comprise, among other ancillary activities or programs related to worker's insurance, safety or benefits, the following programs targeting occupational education and training and job promotion:

Table II-42. State administered workforce programs by WIOA type

Entity/Program	Type
Governor's Office	
National and Community Service (AmeriCorps)	Additional
Department of Economic Development and Commerce	
Workforce Development Program	
Adult, Youth and Dislocated Workers	Core
Rapid Response Office	Core
Trade Adjustment Assistance Program	Required
Youth Development Program	
Juvenile	Outside
Government Internships Program	Outside
Department of Labor and Human Resources	
Vocational Rehabilitation Administration	
Vocational Rehabilitation services	Core
Program for the Blind and Persons with Physical, Mental and Developmental Disabilities	Outside
Secretariat for Training and Promotion of Employment	
Bureau for the Promotion of Job Opportunities	
Employment and Training Opportunities Development Program	Outside
Bureau of Training, Employment and Entrepreneurial Development	
Youth Summer Jobs Program	Outside
Internship Program	Outside
Diverse Occupations Program	Outside
Training in Entrepreneurial Development Programs	Outside

Entity/Program	Type
Furniture Manufacturing Internship	Outside
Microenterprise Program (Pa' mi gente)	Outside
Bureau of Vocational Education	
Career and Technical Education Program	Outside
Post-secondary Education Program	Outside
Bridge Education Programs	
Basic Education for Adults Program	Outside
Alternate School Programs	Outside
Secretariat for Worker's Benefits	
Bureau of Worker's Benefits and Employment Security	
Unemployment insurance program	Required
Employment service	Core
Reemployment Services and Eligibility Assessment Program	Core
Work Opportunity Tax Credit Program	Outside
Foreign Labor Certification Program	Outside
Interstate Employment Offers Program	Outside
Migrant and Seasonal Farmworker Programs	Required
Senior Community Service Employment Program	Required
Disabled Veterans Outreach Program	Required
Local Veterans Employment Representatives	Required
Transition Assistance Program	Outside
Employment Services for Students	Outside
Secretariat for Planning, Research and Development	
Labor Market Information system	Core
Department of Education	
Auxiliary Secretariat for Community Education Services	
Adult Education Program	
Adult Education and Family Literacy Program	Core
Juvenile Offenders Education Program	Outside
Corrections Education (section 225)	Core
English Literacy and Civics Education Program	Core
Community Integrated Services	Outside
Auxiliary Secretariat for Career and Technical Education	
Puerto Rico Technological Institute (Carl D. Perkins)	Required
Vocational and Technical Education Program (Carl D. Perkins)	Required
Auxiliary Secretariat for Special Education	
Pre-Employment Transition services (coordination with PRVRA)	Core
Library Information Services Program	Additional
Information Systems and Teachers' Technological Support	
K-12+ Longitudinal Information System	Outside
Puerto Rico Research Alliance for Dropout Prevention	Outside
Department of the Family	

Entity/Program	Type
Administration for the Socioeconomic Development of Families	
Operational Services	
Temporary Assistance for Needy Families	Required
Economic and Social Rehabilitation Program	Outside
Nutritional Assistance Program	Additional
Administration for Families and Children	
Auxiliary Administration for Foster Care and Adoption	
State Foster Care and Independence Program	Outside
Chafee Educational and Training Voucher Program	Outside
Auxiliary Administration for Community Prevention Services	
Community Services Block Grant Program	Required
Administration of Services for Older and Disabled Persons	
Retired and Senior Volunteer Program	Outside
Department of Housing	
Public Housing Administration	
Entrepreneurship and Self-sufficiency Development Division	
Entrepreneurship Program	Required
Employment Program	Required
Section 3 Program	Required
Office of the Commissioner of Municipal Affairs	
Community Development Block Grant	Outside
Department of Corrections and Rehabilitation	
Office of Pre-trial Services	Outside
Administration of Correctional Institutions and Services to Inmates and Youth Offenders	
Educational services	
Adult Education Programs	Outside
Career and Technical Education Program	Outside
Inmate Employment Programs	Outside
Monitoring and Supervision of Inmates and Youth Offenders in the Community	
Community Reinsertion Programs	Outside
Training and Work Enterprises Program (formerly, CEAT)	Outside
Inmates and Former Convicts Services Office	Outside
Education Council	
Licensing of Post-secondary Educational Institutions	Outside
Research and Statistics	Outside
Student Financial Assistance Programs	Outside
University of Puerto Rico	
Puerto Rico Assistive Technology Program	Outside
Office of the Advocate of the Persons with Disabilities	
Division for the Protection and Advocacy of Disabled Persons	

Entity/Program	Type
Committee for the Employment Opportunities for Disabled Persons	Outside
Integrated Workforce Compliance Information System	Outside
Client Assistance Program	Additional
Planning Board	
State Council on Developmental Deficiencies	Outside
Comprehensive Economic Development Strategy Committee	Outside
National Guard	
Youth Challenge	Outside
Department of Health	
Office of Regulation and Certification of Health Professionals	Outside
Medical Licensure and Disciplinary Board	Outside
Department of State	
Auxiliary Secretariat of State Examining Boards	Outside
Job Corps (federally-run)	Required

Note. WIOA program types, as follows: Core - core program as defined under sec. 3(13); Required - required program as defined under sec. 121(b)(1); Additional - optional program as defined under sec. 121(b)(2); Outside - state workforce program outside the Unified Plan as referred to under sec. 121(b)(2)(B)(vii).

Other activities by State entities

Professional licensing for legal professionals is managed by the Courts' system. With few exceptions, professional licensure requires compulsory affiliation with local trade associations. Additional trade credentials are issued by various agencies. Teachers, farmers, fishermen, private guards, insurance agents, financial advisors, home builders, tour guides, public transportation operators, taxi drivers, pesticide handlers and a wide array of additional occupations require government-issued credentials. Conditions, requirements and applications vary widely.

Table II-43. Professional occupations requiring compulsory membership in a local trade association

SOC-Code	Occupation
11-9111	Medical and health services manager
31-2011	Occupational therapy assistant
21-1015	Rehabilitation counsel
29-1021	Dentist
	Nurse associated
	Nurse, specialist
	Nurse, general
	Nurse, obstetrics
	Nurse, practical
29-1051	Pharmacist
29-1131	Veterinarian

SOC-Code	Occupation
29-1031	Nutritionist, Dietist
29-2081	Optician, dispensing
29-1041	Optometrist
19-3031	Psychologist
29-2099	Health technologist
27-2012	Public events producers
27-2011	Actors
29-1122	Occupational therapist
29-1060	Physicians and surgeons
47-2111	Electricians
19-2031	Chemists
49-3020	Automotive technicians and mechanics
49-9020	Refrigeration technicians
21-1020	Social workers
19-1013	Agronomists
17-1011	Architects
17-1012	Landscape architects
39-5010	Barbers
13-2010	Certified Public Accountants
17-3011	Draftspersons
27-1025	Interior designers
17-2000	Engineers
17-1020	Land Surveyors
47-2150	Plumbers

Public advocacy entities serve the following target groups: women, older persons, persons with disabilities, veterans, patients, consumers, and small businesses. The entities also provide education, training and employment related advocacy, coordination and promotion in serving their respective target groups.

Non-State entities

Program:	Job Corps
Target Population:	Income eligible students 16 to 24 years.
Program Description:	Residential comprehensive education, training and career program. The Job Corps operates three centers in Puerto Rico: Barranquitas, Arecibo and Ramey (in Aguadilla). It estimates serving more than 1,100 students every year.
Authority:	WIOA, Title I-C.
Governing Entity Requirement:	None

Education infrastructure

During the fiscal year 2017 the Puerto Rico Department of Education offered services through 1,109 K-12 schools. The enrollment reported at the end of the year, in June 2018, totaled 346,096 students, this represents a decrease of 19,085 students compared to the enrollment of 365,181 students, reported the previous year. During the 2018 fiscal year, services will be offered through 857 schools in the public system. The public education system has about 28,000 teachers.

In the academic year 2015, 99 institutions were certified as providers of higher education (IHEs). Of these, 18 were public institutions that accounted for 26.0% of student enrollment; 49 were private non-for-profit institutions with a share of 54.5% of total students enrolled; and 23 were for profit institutions with 19.5% of total students. The UPR is the largest public IHE, with 92% of the students enrolled in the public system distributed in 11 campuses. The largest private IHE, the Interamerican University, has 10 campuses and 32.2% of total students enrolled in private institutions.

Total student enrollment in the IHEs decreased 3.4% from and all-time high in 2010 to its level of 240,878 students in 2015. In comparison, from 2010 to 2014, the total population in Puerto Rico decreased 4.67%. In terms of teachers, the public system had 5,337, expanding 2.5% since 2010, compared to 10,898 in private institutions, a reduction of 1.7% in relation to 2010.

In terms of career and technical education, in the academic year 2015, there were 2,328 instructional programs (of which close to half were concentrated in personal services and food preparation and serving careers) attended by 50,816 students, down from the all-time high of 79,013 in 2011, a drop of more than 35%; however, the amount of graduates for the same period went from 38,376 to 34,249, an 11% drop. In 2015, there were 8,222 teachers serving the system, up 3.35% from the 2011-2012 level.

In addition to PRDOLHR and PRDE's public network of CTE's, the Government's Horse Racing Industry and Sport Administration administers a vocational school specialized in providing education to those interested in becoming jockeys, trainers, blacksmiths, stable boys, tamers, race horse medical technicians and exercise riders. It aims at providing education for the purpose of professionalizing the industry and to promote its growth in Puerto Rico and Latin America.

Regarding outcomes for postsecondary institutions, the College Scorecard system maintained by the USDOE, included 74 postsecondary institutions that reported results. Out of these, only one reported having above average salary for students 10 years after attending, and 25 had above average graduation rates. All had a lower than average annual cost for financial aid recipients.

Industry-based credentials

Long-standing industrial sectors like manufacturing, construction, real estate, public administration, among others, have spur the availability and accessibility of industry-based credentials and certifications. Table II-65, below, lists some of the industry-based organizations, other than those specific to licensed trades (i.e.: Academy of Nutrition and Dietetics, National Association of Social Workers, American Institute of Architects, etc.), which have chartered local chapters in Puerto Rico.

Table II-44. Organizations with chartered local charters in Puerto Rico, 2015

Organization	Industry-based credential offered
American College of Healthcare Executives	Board certification
American Concrete Institute	ACI-CRSI, Adhesive anchor installation certification program, Field technician certification programs, Craftsman certification programs, Laboratory technician certification programs, Aggregate technician certification programs, Inspector certification programs, Quality technical manager, Tilt-up certification program, Shotcrete nozzle man programs, Masonry technician certification programs
American Marketing Association	None
American Meteorological Society	Certified Broadcast Meteorologist Program (CBM), Certified Consulting Meteorologist Program (CCM)
American Production and Inventory Control Society	Certified in Production and Inventory Management (CPIM), Certified Supply Chain Professional (CSCP), Certified Fellow in Production and Inventory Management (CFPIM), SCOR® Professional Endorsement (SCOR-P)
American Society of Quality	Biomedical Auditor, Calibration Technician, HACCP Auditor, Lean Certification, Pharmaceutical GMP Professional, Quality Auditor, Quality Engineer, Quality Improvement Associate, Quality Process Analyst, Quality Technician, Reliability Engineer, Software Quality Engineer
American Society of Travel Agents	None

Organization	Industry-based credential offered
American Statistical Association	Accredited Professional Statistician (PStat®), Graduate Statistician (GStat)
Associated General Contractors of America	None
Association of Anti-Money Laundering Specialists	Certified Anti-Money Laundering Specialist (CAMS)
Association of Certified Fraud Examiners	Certified Fraud Examiner (CFE)
Association of Information Technology Professionals	None
Certified Commercial Investment Institute	Certified Commercial Investment Member
Entrepreneurs Organization	None
Health Information Management Systems Society	Health IT Certification
Healthcare Financial Management Association	Certified Revenue Cycle Representative (CRCR), Certified Healthcare Financial Professional (CHFP), Certified Specialist Business Intelligence (CSBI), Certified Specialist Physician Practice Management (CSPPM), Certified Specialist Managed Care (CSMC), Certified Specialist Accounting & Finance (CSAF)
Hospitality Sales & Marketing Association International	Certified Revenue Management Executive, Certified Hospitality Sales Executive, Certified in Hospitality Business Acumen, Certified Hospitality Marketing Executive, Certified Hospitality Digital Marketer
Information Systems and Audit Control Association and Information Systems Security Association	Certified Information Systems Auditor, Certified Information Security Manager, Certified in the Governance of Enterprise IT (CGEIT), Certified in Risk and Information Systems Control (CRISC), Cybersecurity Nexus – CSX Certificate and CSX-P Certification
Institute of Internal Auditors	Qualification in Internal Audit Leadership (QIAL), Certified Internal Auditor (CIA), Certification in Control Self-Assessment (CCSA), Certified Government Auditing Professional (CGAP), Certified Financial Services Auditor (CFSA), Certification in Risk Management Assurance (CRMA)
Institute of Packaging Professionals	Certified Packaging Professional (CPP)

Organization	Industry-based credential offered
International Association of Certified Home Inspectors	Certified Home Inspector
International Institute of Business Analysis	IIBA® Certified Business Analysis Professional™, (CBAP®) and Certification of Competency in Business Analysis™ (CCBA®)
International Society for Pharmaceutical Engineering	None
International Society for Pharmaceutics and Outcomes Research	None
Internet Society	None
National Fire Protection Association	None
Parenteral Drug Association	Continued education in pharmacy
Project Management Institute	Project Management Professional, Program Management Professional, Portfolio Management Professional, Certified Associate in Project Management, PMI Professional in Business Analysis, PMI Agile Certified Practitioner, PMI Risk Management Professional, PMI Scheduling Professional
Society for Adolescent Health and Medicine	None
Society for Human Resource Management	SHRM Certified Professional (SHRM-CP) for early- and mid-career professionals and the SHRM Senior Certified Professional (SHRM-SCP)
Society of Chartered Property and Casualty Underwriters	Continued education
Society of Research Administrators International	None
Solid Waste Association of North America	SWANA Certification

Source: Organization and chapter websites.

II(a)(2)(B) The Strengths and Weaknesses of Workforce Development Activities. Provide an analysis of the strengths and weaknesses of the workforce development activities identified in (A), directly above.

Strengths

- While it posed immediate organizational challenges, the reorganization mandated by Act 171-2014, which transferred the Workforce Development Program from the PRDOLHR to the PRDEDC, will facilitate the integration of workforce and economic development activities required under WIOA. Significant opportunities arise by

sharing the PRDEDC's resources available through the following units: Federal Contracting Center, One-Stop entrepreneur support network managed by the Commerce and Exports Corporation, Office of Industrial Tax Incentives, Youth Development Program, EB-5 Government's Regional Center, among other.

- Single Audit reports evidence a long record of compliance in managing workforce related programs, especially sizable programs with complex requirements including the core programs and required partners like TANF.
- As discussed in the previous section, although there are still voids in the system, the extent and number of programs provide many accessible opportunities for jobseekers and employers alike to find services, subsidies and support.
- Important strides have been made regarding long-standing problems that affected the public secondary education system, especially in measuring dropout rates and increased compliance with IDEA indicators. Also, the fact that the public education system is managed as an integrated statewide LEA works towards facilitating policy and program implementation, data integration and the measurement of outcomes.
- Almost every municipality is represented through local government consortia that have a wealth of knowledge and experience in partnering with private sector organizations to forward economic development. This infrastructure could be readily sourced to support the regional alignment required under WIOA, along with industry-based cluster organizations that possess the necessary expertise and networking to take full advantage of WIOA resources.
- Government downsizing has paved the way for a strong policy towards entrepreneurship development, which represents a significant space for private employment growth.
- The size of the population served and the impact of transfer payments on the economic conditions of those enrolled on sizable federal assistance programs (NAP, HUD, among other) that include a workforce component, represent an opportunity to increase education, training and work experience for a high number of individuals.
- Core programs are supported by the availability of a large number of training and service providers and qualified personnel, especially to provide services to target populations, including persons with disabilities.
- Core and required programs have specific strengths that can be leveraged for enhancing the system. PRVRA's know-how in reaching ISY can be translated into an effective outreach strategy to be used by the Employment Service in exposing youth early-on to career information; Adult Education effectiveness in reaching and serving

out-of-school youth (OSY) can be put to work for the purposes of increased service to OSY under Title I, as required by WIOA; among many other program best practices.

Weaknesses

- The Government has overtly relied on non-competitive formula funds, thus missing on opportunities to strengthen the workforce system. Notable omissions include the Apprenticeship Program, and competitive programs like REO, DEI, Ready to Work, Youthbuild and Job Plus Pilot.
- A silo-approach in managing government programs might have led to a diminish ability for leveraging program opportunities. More lateral redirecting among programs must be enabled through the appropriate structuring and maintenance of MOU's to strengthen coordination between core and required programs, local boards and operators in order to maximize resources and exchange referrals.
- The silo-approach might have also led to piecemeal communication and marketing of the services being offered throughout the workforce system to potential businesses customers and jobseekers alike, particularly when it comes to serving individuals facing barriers to employment.
- Efforts to braid and mutually leverage funding streams must be strengthened, which involves enhancing the advisory function and the provision of accurate, prompt and complete data to policy and lawmakers alike.
- Information products are needed to assess specific aspects of the workforce system including disaggregated data to ascertain services to individuals facing barriers to employment; real-time supply and demand dynamics in the labor market; or information to characterize underemployment, self-employment and the impact of the informal sector on the labor market. A data integration roadmap for the entire system is critical.
- Policies must be devised to tackle gender-skewed outcomes in post-secondary education and the labor market.
- The fiscal impairment of the public sector as a major employer and provider of funding for workforce activities poses a significant challenge to the effectiveness and performance of the entire system.

II(a)(2)(C) State Workforce Development Capacity. Provide an analysis of the capacity of State entities to provide the workforce development activities identified in (A), above.

Please, refer to section II(a)(2)(A), above, for information regarding extent of services provided under each program.

II(b) State Strategic Vision and Goals. The Unified State Plan must include the State's strategic vision and goals for developing its workforce and meeting employer needs in order to support economic growth and economic self-sufficiency.

II(b)(1) Vision. Describe the State's strategic vision for its workforce development system.

Puerto Rico's workforce development system and its network of One-Stop Centers, succeed at being the service of choice to meet the needs of industries, businesses, employers and job seekers, and at expanding access to education, training and employment opportunities for adults, youth, dislocated workers, people with disabilities and individuals facing barriers to employment, thus contributing to further our economic development.

II(b)(2) Goals. Describe the goals for achieving this vision based on the analysis in (a) above of the State's economic conditions, workforce, and workforce development activities.

1. Economic development goal

Support the growth of strategic economic development sectors with a labor force driven by technology and innovation.

2. Labor force development goal

Increase postsecondary educational attainment and access to training in alignment with the needs of the industry and job seekers to encourage participation in the labor force, especially among the youth and individuals with barriers to employment.

3. Labor market goal

Enable the expansion of private employment, especially for the youth, as a means to counter the fiscal constraints impinged on the public sector and its downsizing.

4. Public sector alignment goal

Spur the development of sector strategies and career pathways by targeting opportunities in the public sector to resource the convening of partnerships.

5. Private sector alignment goal

Engage private stakeholders in building and maintaining the workforce system, by means of facilitating a framework for planning, developing, and governing a job-driven system that fits the needs of the industry, jobseekers and individuals with barriers to employment.

6. Board alignment goal

Direct the State and local boards to concert the system into working across local workforce development areas by aligning programs, policies and services with the skills and industry demands of regional and economic development.

7. Statewide LMI integration goal

Update and expand the workforce and labor market information to achieve high-quality, timely, integrated data that informs policy, employer and jobseeker decision-making, and comparability with other jurisdictions.

8. Statewide resourcing goal

Maximize available funding and leverage non-traditional sources to support the improvement of the workforce system.

9. Integrated governance goal

Implement and sustain an effective, agile and non-redundant governance structure to brace the Government's workforce development system.

10. Integrated One Stop Centers' accessibility goal

Maintain the One-Stop Centers' system physically and programmatically accessible throughout, for both job seekers and employers to meet their occupational education and employment needs.

11. Integrated One Stop Centers' facilities goal

Plan the One-Stop Centers' facilities to enhance the experience of customers, ease of use and the operational integration of programs.

12. Integrated One Stop Centers' staff goal

Run the One Stop centers by a corps of aware, mission-driven and well-prepared staff.

13. Integrated One Stop Centers' information technology goal

Update information technology infrastructure in light of new requirements.

14. Integrated One Stop Centers' workflow goal

Update One Stop centers' workflow procedures to support integrated customer-centered operations.

15. Integrated One Stop Centers' monitoring goal

The workforce development system is driven by service delivery excellence and constant improvement.

II(b)(2)(A) Goals for preparing an educated and skilled workforce, including preparing youth and individuals with barriers to employment

[Individuals with barriers to employment include displaced homemakers; low-income individuals; Indians, Alaska Natives, and Native Hawaiians; individuals with disabilities, including youth who are individuals with disabilities; older individuals; ex-offenders; homeless individuals, or homeless children and youths; youth who are in or have aged out of the foster care system; individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers; eligible migrant and seasonal farmworkers (as defined at section 167(i) of WIOA and Training and Employment Guidance Letter No. 35-14); individuals within 2 years of exhausting lifetime eligibility under the Temporary Assistance for Needy Families Program; single parents (including single pregnant women); and long-term unemployed individuals] and other populations [Veterans, unemployed workers, and youth and any other populations identified by the State].

Please, refer to section II(b)(2), above.

II(b)(2)(B) Goals for meeting the skilled workforce needs of employers

Please, refer to section II(b)(2), above.

II(b)(3) Performance Goals. Using the table provided in Appendix 1, include the State's expected levels of performance relating to the performance accountability measures based on primary indicators of performance described in section 116(b)(2)(A) of WIOA. (This Strategic Planning element only applies to core programs.)

Please, refer to Appendix I.

II(b)(4) Assessment. Describe how the State will assess the overall effectiveness of the workforce development system in the State in relation to the strategic vision and goals stated above in sections (b)(1), (2), and (3) and how it will use the results of this assessment and other feedback to make continuous or quality improvements.

The effectiveness of the strategic framework will be assessed and tested according to procedures being mandated for each program and the system collectively. As prescribed under section 361.800 of the proposed rule One-Stop Centers and one-stop delivery systems will be certified for effectiveness, physical and programmatic accessibility, and continuous improvement, and as directed, these evaluations will take into account feedback from the One Stop network customers.

Performance reporting will comply with the requirements set forth in section 677.160 of the proposed rule including, as might be applicable to each core program:

- A state performance report on program levels achieved with respect to number of participants served
- Total number of participants who exited each of the core programs, including disaggregated counts of those who participated in and exited a core program by individuals with barriers to employment
- Demographics
- Total number of participants and program exiters who received career and training services for the most recent program year and the three preceding program years
- Levels achieved for the primary indicators for career and training services for the most recent program year and the 3 preceding program years
- Percentage of participants in a program who obtained unsubsidized employment related to the training received through Title I–B programs
- Amount of funds spent on each type of career and training service for the most recent program year and the 3 preceding program years
- Average cost per participant for those participants who received career and training

services, respectively, during the most recent program year and the 3 preceding program years

- Percentage of a State's annual allotment spent on administrative costs
- Any other information that facilitates comparisons of programs with programs in other States.

The State Board and core programs will enforce the incorporation of assessment protocols leading to improvement through the selection and certification processes of local boards, operators and providers. Measurement mechanisms will be devised to account for outcomes resulting from the implementation of sector strategies and career pathways.

II(c) State Strategy. The Unified State Plan must include the State's strategies to achieve its strategic vision and goals. These strategies must take into account the State's economic, workforce, and workforce development, education and training activities and analysis provided in Section (a) above. Include discussion of specific strategies to address the needs of populations provided in Section (a).

1. Economic Development Goal

Support the growth of strategic economic development sectors with a labor force driven by technology and innovation.

Economic Development Strategies

1. Under the lead of the PRDEDC, enhance the coordination between the State Board and Workforce Development programs to foster employment opportunities, by promoting Labor Surplus Areas to increase employment, among other initiatives.
2. Actively advance layoff aversion measures and intervene in the process leading to planned closing or relocation of manufacturing plants, ensuring the system preserves employment across established industries.

2. Labor Force Development Goal

Increase postsecondary educational attainment and access to training in alignment with the needs of industry and jobseekers to encourage participation in the labor force, especially among the youth and individuals with barriers to employment.

Labor Force Development Strategies

1. Prioritize services and coordination across core and partner programs to expand education, work experience and employment outcomes for out-of-school youth.
2. Actively promote pre-employment transition services to youth with disabilities.
3. Expand early exposure of in-school youth to the range of career and higher education opportunities available through the workforce system.
4. Continue providing the College Board exam free of charge to all students enrolled in the public system taking it in 11th and 12th grades.
5. Improve coordination with residential setting comprehensive programs that combine education, job training and preparation, counseling, and supportive services to benefit disconnected youth.
6. Implement the Registered Apprenticeship program.
7. Coordinate with the PRDE's State Board for Career and Technical Education, the PRDOLHR and the industry, the effective delivery of occupational education for high-demand, highly skilled and/or technologically advanced occupations.
8. Address the need for employability skills training, especially in relation to preparing a good resume, searching for a job and understanding work expectations, as well as life skills including household management, financial literacy, balancing work and parenting responsibilities, and related competencies.
9. Improve the reach of the English language literacy activities throughout the population of jobseekers in need of English language skills.

3. Labor Market Goal

Enable the expansion of private employment, especially for the youth, as a means to counter the fiscal constraints impinged on the public sector and its downsizing.

Labor Market Strategies

1. Coordinate with the State agencies entrusted with various programs to facilitate resourcing their job creation mandates through the workforce development system's pool of qualified jobseekers, especially of younger workers and persons with disabilities accessing the labor force.
2. Improve the availability of labor market information on self-employment and promote entrepreneurship and the expansion of SMBs/SMEs among eligible

adults, dislocated workers and youth, as an attainable, feasible, and rewarding alternative to employment.

II(c)(1) Describe the strategies the State will implement, including industry or sector partnerships related to in-demand industry sectors and occupations and career pathways, as required by WIOA section 101(d)(3)(B), (D). “Career pathway” is defined at WIOA section 3(7). “In-demand industry sector or occupation” is defined at WIOA section 3(23).

4. Public Sector Alignment Goal

Spur the development of sector strategies and career pathways by targeting opportunities in the public sector to resource the convening of partnerships.

Public Sector Alignment Strategies

1. Enroll and ensure the continued support and participation of central government agencies in sector partnerships, especially to leverage discretionary sources to fund education, training, employment and supportive activities.
2. Embed language and requirements supporting sector strategies into relevant programs and initiatives, including regional and local plans, guidance to local areas, career pathways, apprenticeship programs, guidance for statewide incumbent worker training programs and customized training, among other activities.
3. Activate the participation of the vocational services program in the Employment Services' Employers Committee and other existing or new partnership coordinating bodies with the purpose of expanding the array of industries providing employment opportunities for people with disabilities.
4. Encourage the adoption by local governments of tax abatement measures and other benefits to reward businesses and employers sponsoring the implementation of regional sector strategies and career pathways through their use of the resources and services provided by the workforce system.
5. Provide training and capacity building to stakeholders focusing on the sector strategies implementation framework, effective industry analysis, employer engagement, partnership building, and design of career pathways and industry-relevant training programs, among other topics.
6. Leverage Title II funds allowability to advance the implementation of career pathways by aligning the industry needs with the education, training and supportive services needs of youths and adults.

7. Develop metrics and required evaluation tools, reports and dissemination mechanisms to track outcomes for regional sector strategies and career pathways.

5. Private and Academic Sector Alignment Goal

Engage private stakeholders in building and maintaining the workforce system, by means of facilitating a framework for planning, developing, and governing a job-driven system that fits the needs of the industry, jobseekers and individuals with barriers to employment.

Private and Academic Sector Alignment Strategies

1. Convene a working group integrated by representatives of key existing and emerging industries, leadership from public systems such as workforce, higher education, economic development and employment support services, and policymakers to assist the State Board in developing support for sector strategies and career pathways.
2. Leverage the PRDEDC's leadership to engage industry-based cluster organizations, and the leadership of elected officials to engage local government's consortia on economic initiatives, along with their resources and partner portfolios built around regional core competences, to support the State and local boards in weaving the activities of the workforce development system with those advancing regional economic development and strategic sectors.
3. Directly engage industry associations and individual companies with a large presence in Puerto Rico that might have an interest in investing in sector strategies to work directly with regional and local partnerships, including devising relevant data and labor market information products.
4. Identify opportunities to further academic research on conditions, approaches and prospects of the workforce development system.

6. State and Local Boards Alignment Goal

Direct the State and local boards to concert the system into working across local workforce development areas by aligning programs, policies and services with the skills and industry demands of regional and economic development.

State and Local Boards Alignment Strategies

1. Equip the State Board with the operational resources needed to carry out its convening functions under WIOA.

2. Adopt a common framework to advance the adoption of regional plans by the local boards, program leaders, and elected officials that optimizes program integration and supports the implementation of sector strategies and career pathways.
3. Adopt and adapt the methodologies advanced under TEN 17-15, Att. (11) and ETA's Sector Strategies Implementation Framework to accelerate the implementation of sector strategies and career pathways.

II(c)(2) Describe the strategies the State will use to align the core programs, required and optional one-stop partner programs, and any other resources available to the State to achieve fully integrated customer services consistent with the strategic vision and goals described above. Also describe strategies to strengthen workforce development activities in regard to weaknesses identified in section II(a)(2).

7. Statewide Workforce and Labor Market Information Development Goal

Update and expand the workforce and labor market information to achieve high-quality, timely, integrated data that informs policy, employer and jobseeker decision-making, and comparability with other jurisdictions.

Statewide Workforce and Labor Market Information Development Strategies

1. Warrant jobseekers and workers the availability and accessibility of information and guidance required to make informed decisions about training and careers (including STEM), as well as access to the education, training and support services they need to compete in current and future labor markets.
2. Equip the State Board to execute the role of planning and coordinating the development of required information products by core, partner and other governmental entities, and the accessibility, reliability, dependability, scalability, interoperability and documentation of the workforce system's data collection and production, and to concert the system's Internet presence.
3. Maintain an active participation in the Wage Record Interchange Systems (WRIS and WRIS2) and collaborate with federal workforce data producers to ensure Puerto Rico is accounted for in their data products in order to facilitate planning processes under WIOA and national comparability.
4. Ensure seamless coordination between the State Board and PRDOLHR's Statistical Bureau to supply timely, reliable and accessible data to all the stakeholders of the workforce system.
5. Implement and standardize high-level reporting to policymakers on education and employment outcomes across workforce programs.

8. Statewide Resourcing Goal

Maximize available funding and leverage non-traditional sources to support the improvement of the workforce system.

Statewide Resourcing Strategies

1. Set criteria to direct statewide set-aside funding to support job-driven strategies.
2. Equip the State Board to manage the function of identifying and seeking additional or dormant competitive funding opportunities that can benefit any component of the workforce development system and provide grantsmanship support to core and partner entities.
3. Advance the designation of the local boards as 501(c)(3) tax-exempted non-for profits to leverage non-traditional sources of grant funding.

9. Integrated Governance Goal

Implement and sustain an effective, agile and non-redundant governance structure to brace the Government's workforce development system.

Integrated Governance Strategies

1. Advance recommendations to review or modify state workforce programs outside the plan to eliminate redundancies, and align membership in State-designated committees, councils, boards and entities incidental to the workforce development system to closely reflect actual system dependencies and strengthen coordination.
2. Convene resources from core programs, TANF and other required programs to provide input to the State Board on One-Stop infrastructure integration issues including data collection, reporting, scheduling cross-program training for staff, and implementing communication protocols to promote working within a culture of integration that remains in place despite reorganizations and staff changes.
3. Further the universality of the system by requiring standing committees focused on serving youth, low skilled adults, individuals with disabilities and other relevant priorities to be maintained by each local area as part of the local board designation and certification processes.

10. Integrated One Stop Centers Accessibility Goal

Maintain the One-Stop Centers' system physically and programmatically accessible throughout, for both job seekers and employers to meet their occupational education and employment needs.

Integrated One Stop Centers Accessibility Strategies

1. Direct the State entities to acknowledge the One Stop Center network as the main option to access comprehensive workforce development services.
2. Deploy the agreement structure (MOUs) required to enable the integration of facilities and schedule of workforce activities to be delivered at the comprehensive centers and affiliated sites stressing the complementarity and completeness of services throughout the Island, including rural areas.
3. Designate a core-program working group to establish and coordinate a consistent, customer-centered, integrated, relevant and accessible presence in the Internet for the workforce development system, and to maximize, integrate and coordinate the utilization of social networking with a focus on reaching the youth and disseminating the system's benefits and successes.
4. Create a common workforce system identity, branding and messaging that lend support in marketing the system to those customers that ordinarily use the system, as well as to atypical customers like the highly-skilled job seeker, thus reinforcing the system's ability to attract a wider array of employers.
5. Built upon the guidance issued by USDOL-ODEP to develop local criteria and procedures governing the compliance throughout One Stop Centers with equal opportunity and accessibility requirements, both physically and programmatically.
6. Establish a dedicated business service to tend the specific needs of SMBs/SMEs and promote the use of One Stop facilities and/or staff to employers who might need it for prescreening, interviewing or other allowable activities.

11. Integrated One Stop Centers Facilities Goal

Plan the One-Stop Centers' facilities to enhance the experience of customers, ease of use and the operational integration of programs.

Integrated One Stop Centers Facilities Strategies

1. After initial integration, based on the accrued experience of users and staff, develop a brick and mortar approach to facilities' design along with criteria

regarding the location of facilities in relation to amenities, and their accessibility, program-spatial relationships and environmental qualities, among other considerations.

12. Integrated One Stop Centers Staff Goal

Run the One Stop centers by a corps of aware, mission-driven and well-prepared staff.

Integrated One Stop Centers Staff Strategies

1. Reorganize One-Stop Centers' staff into functional teams based on the services they provide.
2. Develop and maintain a comprehensive cross-training schedule agreed-to by program partners encompassing the knowledge, skills, and motivation to increase staff capacity, expertise, and efficiency in managing the diversity of programs, to the degree required by the staff's specific role in the functional service flow implemented.
3. Train staff entrusted with data entry functions on the importance of data validation, data collection processes, and the importance of accurate reporting for the proper functioning of the entire system.
4. Develop and maintain an online knowledge database to exchange and disseminate cross-program expertise, interpretation, guidance and best practices throughout the system and across programs.
5. Make allowance to dedicate staff resources to serve the business customer who are capable of coordinating appropriate services for assisting employers, activities across one-stop center partner programs, and enhancing business awareness on sector strategies.

13. Integrated One Stop Centers Information Technology Goal

Update information technology infrastructure in light of new requirements.

Integrated One Stop Centers Information Technology Strategies

1. Compile processes for collection, storage, retrieval and sharing of data from the various programs in the workforce development system and compose and maintain a roadmap guiding the implementation of solutions for the interoperability of case management, back-end data exchange, and changes in current program operations, including intake, co-enrollment, triage processing and performance reporting.

2. Fast-track data exchanges by advancing APIs to share key data and basic client information across programs in order to facilitate integrated registration, streamline delivery and avoid service duplication instances.
3. Stabilize the current case management applications (SIAC, CRIS, SIA) by extending their capacity to collect and report on performance indicators and produce quarterly and annual reports, across core programs, in compliance with proposed rule requirements.

14. Integrated One Stop Centers Workflow Goal

Update One Stop centers' workflow procedures to support integrated customer-centered operations.

Integrated One Stop Centers Workflow Strategies

1. Execute an agreement infrastructure (MOUs) to establish and clarify the roles and responsibilities of the various partners; establish a common “front-door” approach; progressively integrate registration across programs; ensure services are delivered by function, not program names, including the provision of supportive services; provide basic information about other programs at partner offices; ensure staff's knowledge and appropriate use of referrals; adopt uniform basic assessment processes across programs; use systematic triage process to assess participants' needs and appropriateness for services; and implement a common sequential flow through service units for customer enrollment, skills development, recruitment and placement.
2. Sustain an employer outreach/business service unit that presents a unified voice for the One-Stop Center network in its communications with employers.
3. Leverage the resources of the Puerto Rico Commerce and Exports Company to provide customized services to business customers.

15. Integrated One Stop Centers Monitoring Goal

The workforce development system is driven by service delivery excellence and constant improvement.

Integrated One Stop Centers Monitoring Strategies

1. Review current monitoring guidance, and annually thereafter, and communicate it throughout the system to ensure that the objectives of the public workforce investment system are met, including: onsite monitoring review; if program quality

and outcomes meet the regulatory objectives; if providers are compliant with WIOA requirements; nondiscrimination and equal opportunity requirements; corrective action; and sanctions if corrective action is not taken.

Additional considerations in serving individuals with barriers to employment

In terms of service to individuals facing barriers to employment, counseling remains a key strategic activity across all core programs. Counselors have a specialized education coupled with years of experience and knowledge and can provide information and guidance to clients on occupational requirements, employment opportunities, trends and other community resources that can benefit the job seekers.

As previously mentioned, seeking to activate the government entities' participation in key competitive programs aims to expand education, training and employment services to targeted populations. DEI, the qualification of local boards as Employment Networks under the Ticket to Work program, REO, Youthbuild, Job Plus, the expansion of activities for employment creation/retention under CDBG, are some of the targeted programs or activities.

Title II has a leading role in serving individuals with barriers to employment and ensuring their access to the labor force. To assist enhancing its service to these populations, the program will implement an Advisory Board to further fine-tuning and program improvements.

The Adult Education and Family Literacy program targets the population of disadvantaged adults through an outreach campaign that encompasses agencies such as the PRDOH, the PRDOF, the PRDOLHR and private industries and corporations. Information is also disseminated through the Internet, media, flyers, presentations, and job placement and training activities. Low-income disadvantaged adults are also contacted through social service activities and their community schools. The information promotes the advantages of adult basic education as a means of attaining high school equivalency, better job opportunities and post-secondary education and training.

The populations with the greatest need of adult education services are participants with a literacy level between 9th and 12th level (roughly two-thirds of participants), followed by those in levels between 4th and 6th grades (one-fifth of participants). Participants interested in vocational education are referred to PRDE's Career and Technical Education Program where basic and postsecondary vocational education is available. Participants interested in postsecondary education other than vocational education are referred to collaborating and other relevant postsecondary institutions.

Computer literacy is an option already available in the Adult Education and Family Literacy training activities and adult education instructors will continue to actively incorporate computer-assisted instruction into the curriculum as a strategy to develop digital literacy skills among students, which will enhance the participants' literacy development as well as their work skills.

Since there are on-going Adult Education and Family Literacy activities being offered in all of the municipalities where the One Stop Centers' network is located, the Program will collaborate with the network on a referral basis, and will be accessible as required by section 361.305(d)(1) of the proposed rule, including scheduling visits from program representatives to the One Stop Centers to provide information to interested participants.

How PRDE working with the provisions of the Plan:

The Secretary for Special Education has:

1. With the approval of Law 263 of 2006 - Institution of vocational and career evaluation for all students in the special education program, all students with disabilities eligible for special education services, from the 12 years must be evaluated by certified vocational and career professionals with the purpose of delineating their transition plan from school to adult life.
2. To that, in collaboration with the PRDE's Counseling Program, in their public policies, we determinate the administration and interpretation of occupational interests and occupational counseling for training in decision-making for the selection of occupational careers for all student with disabilities.
3. DEPR and the School of Rehabilitation Counseling of the University of Puerto Rico, Río Piedras Campus, has a collaboration agreement to have Rehabilitation Counseling Practitioners in the Special Education Service Centers of all educational regions for collaborate with the School Counselor in the administration, interpretation, and counseling to the students with moderate and severe disabilities eligible for the special education program. This agreement comes into effect in September 2018.
4. PRDE has the Transition Manual from the School to the Work, approved in 1992. That manual is a teacher guides related to the process of transition from school to work for students with moderate disabilities.
5. All students who have an IEP, from the age of 16, or before being necessary, his plan establish some different coordinated activities whose purpose is the development of skills aimed at the world of employment and adult life.
6. Students with mild and moderate disabilities who are located in the regular classroom, participate in the same activities as regular students. Like a CEPA tests, College Board exam, 40 hours of occupational exploration, etc. with the reasonable accommodations established in your Individualized Educational Program (PEI) or your Service Plan (PS).
7. The Secretary for Special Education, for the 2018-2019 school year, hired transition coordinators whose goal was to coordinate all services related to the transition process.
8. DEPR has an inter-agency agreement with the Department of Labor - Vocational Rehabilitation Administration, which establishes the responsibilities of each

- agency to achieve a successful transition of students with disabilities from PRDE to DT / ARV.
9. Beginning at age 16, all students eligible for special education receive orientation and guidance to the services offered by the Vocational Rehabilitation Administration (ARV), which is the leading agency in the process of transitioning for the school to the world of employment.
 10. ARV, in coordination with the PRDE, offer different hours of training during the school year for students with disabilities.
 11. ARV, in coordination with the PRDE, every summer, develops pre-employment experiences for students with disabilities who participate in the application and interview process for these programs.
 12. ARV, in coordination with PRDE, before the student completes his high school or graduates from the special education program, determines whether or not the student with a disability is eligible for the services offered by that agency.
 13. Students with disabilities participate in the admissions process and interviews in vocational schools, regular schools with vocational departments or specialized schools, which have the purpose of training students in occupational areas.
 14. When the students are accepted in a vocational school, regular schools with vocational departments or specialized schools, participate in the same activities as students without disabilities, with reasonable accommodations, curricular adaptation and, where necessary, with the assistance of special education teachers.
 15. In some vocational schools, regular schools with vocational departments or specialized schools, there are special full-time classrooms where students with moderate and severe disabilities are integrated into activities or workshops according to their potential and the skills related to the selection workshop. For them, although they are not offered high school diploma or workshop license (if required), they receive a certification of contact hours in the workshop where they were integrated.
 16. In 2012, PR Government approve the Law 250 - Reasonable Accommodation Post-Secondary Passport Law who establish the responsibilities for PRDE and public and private universities to develop public policy and / or regulations to has strategies for students with disabilities who complete their application for admission to the university and is not accepted by the regular admission process. Their need to may request for a re-evaluation of their application through the portfolio strategy and individual interviews with the Admissions Committee that each university must establish.
 17. For students at risk of dropping out of school, SAEE have collaboration agreements between:
 - a. Accelerated education program, which through the Sustainable Student Support Centers (CASA), offers eligible young students with disabilities

the opportunity to complete their high school. For them, the collaboration agreement establishes the availability of human resources and related services to complement the educational process to help this young to complete their academic goal.

- b. The Department of Labor and its Secretary for Training and Promotion of Employment (SAAPE) offer eligible young students with disabilities the opportunity to complete their high school while training in an occupational area. For them, the collaboration agreement establishes the availability of human resources, related services and supplementary services that allow complementing the educational process to help this young to complete their academic goal.
18. With the approval of Law 53 of 2016, - Law for the Certification of Functional Academic Skills and Pre-Employment for Students with Disabilities the PRDE will deliver a certification of academic, functional and pre-employment skills to all students who, because of their placement, do not receive a high school diploma. For May 2017, they were granted for the first time.
19. Within the work plan for the 2018-2019 school year and the programmatic commitments with the Plan for Puerto Rico, the following goal was established:
- a. The development of graduation options or routes for those students who, due to their disability, do not compete for a regular high school diploma.
 - b. The development and amendment of a new post-secondary transition manual for students with disabilities eligible for special education services.
 - c. The hiring of vocational and career evaluators and Rehabilitation Counselors for the administration, interpretation and counseling of students with disabilities and their families on the selection of careers and development of capacities for an adult life as independent as possible.

On the other hand, during the 2016 school year, a total of 703 inmates participated in the services of basic education and secondary education, including in the latter the tutoring service to take the high school equivalency test. Of these, 178 showed educational gain achieving the promotion of a functioning level.

The PRDCR provides the program with updated lists of individuals who are likely to leave the correctional institutions within five years. The Adult Education and Family Literacy program designs curricula and shares it with the PRDCR staff and service providers in support of incarcerated and formerly incarcerated individuals to facilitate their access to life-expanding career pathways opportunities, peer tutoring, and transition to re-entry services designed to facilitate post-release success and reduce recidivism. The Program encourages the PRDCR staff and service providers to include in their educational offer the integration of digital literacy skills and educational services leading to employment,

economic self-sufficiency, family roles, and responsible citizenship in all education and literacy activities. All areas offered by the Adult Education and Literacy program, as well as job-training services are made available to the inmate population, including all basic education, secondary education and English literacy courses.

Teachers serving this population participate in professional development activities addressing innovative strategies, best practices, integration of digital literacy skills into all adult educational and literacy activities, and effective strategies for working with adults with disabilities.

Regarding single parents and displaced homemakers, the Adult Education and Family Literacy program will strongly promote among its providers, the services necessary to enable single parents with small children to attend classes and will encourage providers to pursue agreements with agencies providing supportive services to participants, including appropriate follow-up and tracking. This might include childcare, transportation, counseling services or other assistance needed and allowable.

The PRDE maintains several adult education activities in public housing developments that serve single parents with small children and displaced homemakers through adult basic education and referral to social services and career and educational counseling. Service providers are strongly encouraged during the orientation process to provide support services that will motivate displaced homemakers to attend adult education services.

Partnership efforts with core programs will promote referral for job and vocational training. Additional services will be coordinated with public housing authorities to replicate successful programs in other locations. The Adult Education and Family Literacy program is currently exploring innovative methods of instruction to more effectively reach these participants and ensure their continued participation in the program.

The adult immigrant population served through the Adult Education and Family Literacy program consists of mostly Dominican descent. The Program served approximately 347 persons in school year 2016. Since the main language of instruction is Spanish, immigrants are incorporated into the regular program. Specific attention is devoted to IEL/Civics Instruction, since many of the participants are bound to apply for citizenship once attaining high school diploma. The program focuses on assisting participants improving English, math proficiency and understanding of the rights and responsibilities of citizenship, with the objective of expanding their access to education and training opportunities, as well as to employment.

The number of homeless participants in the Adult Education and Family Literacy program fluctuates, as this is a transient population. The focus of the program, regarding this population, is to promote self-esteem, social service counseling, life skills and development of practical tasks that can promote basic employment and retention. The

PRDE's Office of Adult Education currently considers providing incentives to service providers that can effectively target and serve this population.

The PRVRA provides a wide range of services to people with disabilities in order to prepare and integrate them in the workforce including: training, personal/vocational adjustments, pre-employment services, supported employment services for consumers with significant disabilities, counseling, and job readiness services (resumes, interviews, identification of candidates ready for use and referred to deals employment), among others. The PRVRA also sponsors trainings in various accredited educational institutions for the purpose of aiding customers to acquire the knowledge and occupational skills required to access the labor market. Please, refer to section VI.VR(l), below, for additional information on State goals and priorities in carrying out the Vocational Rehabilitation and Supported Employment programs.

The Council on Developmental Disabilities targets employment opportunities for people with intellectual and developmental disabilities in the community of their choice. A planned strategic activity of the program is to train at least 50 employers to promote equal employment opportunities for people with intellectual and developmental disabilities.

To further expand employment opportunities, the plan proposes to employ at least 30 people with intellectual and developmental disabilities through self-employment, cooperatives and other forms of employment that meet the expectations the population. The program set out to emphasize activities resulting in jobs for people with intellectual and developmental disabilities and their integration to their communities.

III. OPERATIONAL PLANNING ELEMENTS

The Unified State Plan must include an Operational Planning Elements section that supports the State's strategy and the system-wide vision described in Section II(c) above.

III(a) State Strategy Implementation.

III(a)(1) State Board Functions. Describe how the State board will implement its functions under section 101(d) of WIOA (i.e., provide a description of Board operational structures and decision-making processes to ensure such functions are carried out).

The State Board was locally enabled under Act 171-2014 and OE-2014-064 to promote comprehensive planning and coordination of employment and training programs in the State. The PRDEDC has been directed to provide support to the board through the its Workforce Development Program, which also administers Title I of WIOA and the TAA. The Board has planning, and coordination responsibilities related to the federal support received through WIOA and other programs with workforce development efforts.

The development of the plan is a task that the State Board accomplishes with the collaboration of and interagency committee integrated by core and required partners and a year-round working agenda. The role and responsibilities of the State Board are defined by WIOA, local statute and its internal regulations. The latter establishes subcommittees and working groups in connection with technical and particular issues. Among these: Strategic Planning and Budget Committee; Private Sector Liaising Committee; Evaluation, Monitoring and Auditing Committee; Entrepreneurship Committee; Continued Improvement Committee; and the Executive Committee.

The State Board is also responsible for assisting the Governor with additional functions designated by WIOA. These include:

- Developing and implementing the State Unified Plan and performance measures
- Developing/expanding strategies for partnership in in-demand sector/occupations
- Developing and aligning policies
- Developing and continuously improving the one stop delivery system
- Developing policies and guidance on one stop partner role and resource contribution

The plan stresses the need to equip the Board to perform additional tasks imposed under WIOA, other strategic functions for coordination the information and systems integration, and pursuing funds to assist in the development of the workforce system, among other tasks.

Pursuant to section 101(e)(1) of WIOA and 4(D) of TEGl 27-14 the State Board was certified as an Alternative Entity. The following table details the proposed actions or strategies as they relate to the State Board's functions under WIOA.

Table III-1. Implementation of State Board functions under WIOA

Function	Related implementation strategy or activity
101(d)(1) the development, implementation, and modification of the State plan.	The State Board maintains a Strategic Planning Committee, supported by the WPD's Planning Division. Guidance will be advanced to steer the planning processes at the regional and local levels.
101(d)(2) ...the review of statewide policies, of statewide programs, and of recommendations on actions that should be taken by the State to align workforce development programs in the State in a	Please, refer to section II(c)(2). Strategy 9.1 proposes advancing recommendations to review and modify state workforce programs outside the plan to eliminate redundancies and align membership in

Function	Related implementation strategy or activity
manner that supports a comprehensive and streamlined workforce development system in the State...	State-designated entities. All core programs will support this activity. Strategy 6.3 proposed to utilize the service mapping tools provided by USDOL to aid in these efforts.
101(d)(2) ...including the review and provision of comments on the State plans, if any, for programs and activities of one-stop partners that are not core programs	Please, see information corresponding to 101(d)(1), above.
101(d)(3)(A) the identification of barriers and means for removing barriers to better coordinate, align, and avoid duplication among the programs and activities carried out through the system	Please, see information corresponding to 101(d)(2), above.
101(d)(3)(B) the development of strategies to support the use of career pathways for the purpose of providing individuals, including low-skilled adults, youth, and individuals with barriers to employment (including individuals with disabilities), with workforce investment activities, education, and supportive services to enter or retain employment	<p>Please, refer to section II(c)(1). Goal 4 foresees to spur the development of sector strategies and career pathways by targeting opportunities in the public sector to resource the convening of partnerships. Strategy 5.1 aims to convene a working group to assist the State Board in developing support for sector strategies and career pathways. As mentioned above, Strategy 6.3, addresses the utilization of proven methodologies provided by USDOL to aid in these efforts. PRDE's programs (Title II and Carl D. Perkins supported CTE) will lead the way in pursuing the implementation of career pathways and providing the necessary insight to the State Board. The WDP and PRVRA will also support the effort by pursuing DEI funding.</p> <p>The State Board maintains a Committee in charge of liaising with the private sector that will also provide support in this effort, along with PRDEDC's resources for coordinating industry clusters. Guidance to be adopted by the State Board regarding the local and regional planning</p>

Function	Related implementation strategy or activity
	processes will further align the support for career pathways and sector strategies at these levels.
101(d)(3)(C) the development of strategies for providing effective outreach to and improved access for individuals and employers who could benefit from services provided through the workforce development system	Strategy 9.2 emphasizes convening resources from core programs, TANF and other required programs to provide input to the State Board on One-Stop infrastructure integration issues including implementing communication protocols. The working group referenced under strategy 10.3 will work towards integrating the identity, branding and messaging of the system to reach a wider array of customers.
101(d)(3)(E) the identification of regions, including planning regions, for the purposes of section 106(a), and the designation of local areas under section 106, after consultation with local boards and chief elected officials	Please, refer to section VI.I-B(a)(1)(A) and (B), below.
101(d)(3)(F) the development and continuous improvement of the one-stop delivery system in local areas, including providing assistance to local boards, one-stop operators, one-stop partners, and providers with planning and delivering services, including training services and supportive services, to support effective delivery of services to workers, jobseekers, and employers; and	Please, refer to section VI.I-B(a)(2)(B). The State Board maintains a Legislation Committee and a Strategic Planning Committee that will be instrumental in advancing the necessary guidance to steer the planning processes at local and regional levels and turn these into an effective tool to achieve the objectives of WIOA and workforce and economic development. The State Board's Monitoring Committee will have the support of WDP's Monitoring team in ensuring the system's continuous improvement, including compliance with performance measures. Goal 15 sets the monitoring aims of the system. Compliance with section 675.255 of the proposed rule will be mandated throughout the system including that pertaining to: primary indicators of performance for the core programs for

Function	Related implementation strategy or activity
	WIOA title I under §677.155(a)(1) and (d) that apply to the State; Governor's additional indicators of performance to local areas in the State; and performance reports guidance to be issued by USDOL and USDOE. As required, the State Board will provide electronic access to the public local area performance report in its annual State performance report.
101(d)(3)(G) the development of strategies to support staff training and awareness across programs supported under the workforce development system;	The working group referenced under strategy 5.1 will advise the State Board on the system's integration issues, including the need to provide cross-training and a culture and integration (Goal 12).
101(d)(4) the development and updating of comprehensive State performance accountability measures, including State adjusted levels of performance, to assess the effectiveness of the core programs in the State as required under section 116(b);	With the implementation of Goals 7 (please, see section II(c)(2)) and 13, and especially Strategy 7.2, the State Board will be equipped to execute the role of planning and coordinating the development of required information products by core, partner and other governmental entities. This will entail pursuing compliance with the Workforce Data Quality Campaign (WDQC), thus promoting a comprehensive cross-agency data and performance measurement system that covers all major workforce development programs, not just the four titles of WIOA.
101(d)(5) the identification and dissemination of information on best practices	Under Strategy 12.4, a knowledge database to exchange and disseminate cross-program expertise, interpretation, guidance and best practices throughout the system and across programs, is proposed to be develop and maintain by core and required programs.
101(d)(6) the development and review of statewide policies affecting the coordinated provision of services through the State's one-stop delivery system described in section 121(e)	A core-program working group will be designated (Strategy 9.2) to convene resources from core and required programs to provide input to the State Board on One-Stop infrastructure integration issues. Pursuant to section

Function	Related implementation strategy or activity
	678.705 of the proposed rule, guidelines will be issued to determine core program contributions to the sustainment of the system as well as guidance to assist Local Boards, chief elected officials, and One-Stop partners in local areas in determining equitable and stable methods of funding the costs of infrastructure at One-Stop Centers.
101(d)(7) the development of strategies for technological improvements to facilitate access to, and improve the quality of, services and activities provided through the one-stop delivery system	Under Strategy 10.3, a core program working group to establish and coordinate a consistent, customer-centered, integrated, relevant and accessible presence in the Internet for the workforce development system, and to maximize, integrate and coordinate the utilization of social networking with a focus on reaching the youth and disseminating the system's benefits and successes, and to ensure such technology is accessible to individuals with disabilities and individuals residing in remote areas.
101(d)(8) the development of strategies for aligning technology and data systems across one-stop partner programs to enhance service delivery and improve efficiencies in reporting on performance accountability measures (including the design and implementation of common intake, data collection, case management information, and performance accountability measurement and reporting processes and the incorporation of local input into such design and implementation, to improve coordination of services across one-stop partner programs);	Please, refer to Goals 7, 13 and section III(b)(1)(A), below.
101(d)(9) the development of allocation formulas for the distribution of funds for employment and training activities for adults, and youth workforce investment	Please, refer to section III(b)(5).

Function	Related implementation strategy or activity
activities, to local areas as permitted under sections 128(b)(3) and 133(b)(3);	
101(d)(10) the preparation of the annual reports described in paragraphs (1) and (2) of section 116(d);	Please, refer to section III(b)(1)(B).
101(d)(11) the development of the statewide workforce and labor market information system described in section 15(e) of the Wagner-Peyser Act (29 U.S.C. 491-2(e))	Please, refer to Goal 7 and section III(b)(1)(A), below.
101(d)(12) the development of such other policies as may promote statewide objectives for, and enhance the performance of, the workforce development system in the State.	The State Board maintains committees on Entrepreneurship and Small Business that will be leveraged to pursue the goal of enabling the expansion of private employment, especially for the youth, as a means to counter the fiscal constraints impinged on the public sector and its downsizing.

III(a)(2) Implementation of State Strategy. Describe how the lead State agency with responsibility for the administration of each core program included in this plan will implement the State’s Strategies identified in II(c) above. This must include a description of—

III(a)(2)(A) Core Program Activities to Implement the State’s Strategy. Describe the activities the entities carrying out the respective core programs will fund to implement the State’s strategies. Also describe how such activities will be aligned across the core programs included in this plan and among the entities administering the programs, including using co-enrollment and other strategies, as appropriate.

All core programs will make extensive use of required and allowable activities to further the State's strategies for developing an integrated, job-driven and customer-centered system. Key activities are highlighted in the following Table, as they relate to the goals and strategies enunciated in section II(c), above.

Table III-2. Key activities by core program and other components to carry out the State's strategies

II(c) Ref	Wagner Peyser Act	WIOA Title I	WIOA Title II	Rehabilitation Act	State Board	Other
1.1	EO 11246's affirmative employment	Market to outlier PRDEDC		EO 11246's affirmative employment	As allowed under 101(d)(3)(D). On-going.	PRDEDC, enable coordination.

	coordination. On-going.	programs. On-going.		coordination. On-going.		
1.2		Deploy Rapid Response Office. ST.				
2.1		Coordination with PRRADP to plan for dropout risk factors. ST	Use the longitudinal system to improve OSY visibility. ST. Deploy career pathways. MT.	Review MOUs with Special Education expand to Title II and others to improve id. eligible OSY. ST.	Issue guidance enforcing OSY share of spending. ST.	PRDOH, pursue Youthbuild. ST.
2.2				Continue school-based activity under 113(d)(3). On-going. Stress Title I referral of non-eligible students transitioning. ST.		
2.3		Provide on-site school group orientation. ST.		Continue on-site school group orientation. ST.		
2.4			Follow-up on inclusion of Title II participants. ST.			
2.5		Coordinate transition services with PRDOF's Foster Care program. ST.		Continue MOU with Job Corps. Seek to expand to other programs. ST.		PRDOF, Job Corps, National Guard, execute MOUs. ST.
2.6						Governor's Office and PRDOLHR. Legislation. ST.
2.7					Lead interagency coordination. Develop sector and career pathways	PRDE, PRDOLHR, enable coordination.

					strategies. MT.	
2.8	Extend services through external providers. ST.	Enforce needs assessments for local area funding allocation. ST.	Continue integration in program curricula. On-going.	Continue providing through personalized services. On-going.		
2.9			Conduct needs assessment at statewide level to guide providers' service. ST.			
3.1	Coordinate registry in Employment Service with entities. ST.	Review assessment - screening protocols to enhance QOS to incoming employers. ST.		Provide criteria to enhance opportunities for program participants. ST.		Governor's issuance of EO. Enforce registry through Service Employment. ST.
3.2	Identify or develop data products through the LMI service. MT.	Survey local area business opportunities . MT.		Continue capacity building and support activities for self-employed participants. On-going.	Issue relevant guidance applicable to local plans, to encourage SBA program engagement. ST.	
4.1		Pursue participation in USDOL's DEI program. LT.		Collaborate as a partner in DEI. LT.		Governor's issuance of EO.
4.2					Issue relevant guidance applicable to local plans. ST.	
4.3	Advance coordination. ST.			Pursue participation in USDOL's DEI program. ST.	Incorporate in sector strategies-related guidance. ST.	
4.4					Issue relevant guidance applicable to	Local boards. Needs identification in local plan,

					local plans. ST.	promotion to CEO's.
4.5			Contract services; develop replicable methods for use across programs. MT.			
4.6			Include in services contracted. MT.		Issue relevant guidance applicable to local plans. ST.	
4.7					Issue relevant guidance. ST.	
5.1						Governor's issuance of EO.
5.2					Issue relevant guidance applicable to local plans. ST.	PRDEDC, enable coordination.
5.3	Coordinate with the Employer's Committee. ST.				Issue relevant guidance applicable to local plans. ST.	
5.4	As allowed under 49I-2. As rqd.	As allowed under 107(d)(2), 127(b)(2), 134(a)(3)(A). As rqd.	As allowed under 223(a)(1)(C). As rqd.	Maintain agreement with UPR and support the SRC and the SCIL research initiatives. On- going.		
6.1					Staffing, outsourcing. ST.	
6.2	Support local area planning as rqd. under 108(b)(2). ST.		Support local area planning as rqd. under 108(b)(2). ST.	Support local area planning as rqd. under 108(b)(2). ST.	Issue relevant guidance. ST.	
6.3					Issue relevant guidance. ST.	

7.1	Maintain and publicize the LMI. On-going. Cross-train employment service staff on partner programs. ST.	Review protocols and materials to expand info on partner programs. ST. Cross-train employment service staff on partner programs. ST.	Cross-train employment service staff on partner programs. ST.	Cross-train employment service staff on partner programs. ST.		
7.2					Staffing, outsourcing. ST.	
7.3	Coordinate with national data producers. On-going.					
7.4					Prioritize resolution of LMI needs and data availability issues. On-going.	Governor's issuance of EO.
7.5					Built upon reporting reqd. under 171-2014.	Governor's issuance of EO.
8.1		Advance incumbent worker and OJT guidance. ST.			Issue relevant guidance. ST.	
8.2					Staffing, outsourcing. ST.	
8.3					Coordinate and require designation from local boards as part of planning process. ST.	PRDEDC, provide support.
9.1	Recommend actions impacting programs. ST.	Recommend actions impacting programs. ST.	Recommend actions impacting programs. ST.	Recommend actions impacting programs. ST.	Recommend actions impacting core, reqd. and outlier programs. MT.	Legislative Branch, Legislation.

9.2	Integrate working group. ST.	Integrate working group. ST.	Integrate working group. ST.	Integrate working group. ST.		Governor's issuance of EO.
9.3					Issue relevant guidance. ST.	
10.1						Governor's issuance of EO.
10.2	Convene services to be scheduled by the core program. ST.	Convene services to be scheduled by the core program. ST.	Convene services to be scheduled by the core program. ST.	Convene services to be scheduled by the core program. ST.	Issue guidance on local area agreements with core and required partners. ST.	Governor's issuance of EO.
10.3	Integrate working group. ST.	Integrate working group. ST.	Integrate working group. ST.	Integrate working group. ST.		
10.4	Implement marketing strategy. MT.	Implement marketing strategy. MT.	Implement marketing strategy. MT.	Implement marketing strategy. MT.	Partner with academia to develop marketing strategy. ST.	
10.5		Recommend procedures. ST.		Recommend procedures. ST.	Issue relevant guidance. ST.	
10.6	Maintain dedicated staff. On-going.	Maintain dedicated staff. Assist on proposals. On-going.				
11.1	Advance specification MT.	Advance specification MT.	Advance specification MT.	Advance specification MT.	Develop approach. Embed in operator selection guidance. MT.	
12.1	See III(a)(2)(C), below.	See III(a)(2)(C), below.				
12.2	Integrate working group. ST.	Integrate working group. ST.	Integrate working group. ST.	Integrate working group. ST.	Issue relevant guidance to include operators. ST.	
12.3					Include requirement in relevant guidance, extend to	

					operators. ST.	
12.4	Update content. On-going.	Update content. On-going.	Update content. On-going.	Update content. On-going.	Implement platform. ST.	
12.5		Maintain dedicated staff. On-going.				
13.1	Document systems. ST.	Document systems. ST.	Document systems. ST.	Document systems. ST.	Complete roadmap. MT.	
13.2	Deploy APIs. MT.	Deploy APIs. MT.	Deploy APIs. MT.	Deploy APIs. MT.	Coordinate specification. ST.	
13.3		Complete modifications. ST.	Complete modification. ST.	Complete modifications. ST.		
14.1	Execute MO. Deploy integrated customer service model. ST.	Execute MO. Deploy integrated customer service model. ST.	Execute MOU. ST. Expand integration. MT.	Execute MOU. ST. Expand integration.	Issue relevant guidance for local boards. ST.	
14.2	Establish protocols for business outreach staff team-up. ST.	Establish protocols for business outreach staff team-up. ST.		Establish protocols for business outreach staff team-up. ST.		
14.3		MOU for services under 134d(1)(A)(ii)				PRCEC.
15.1	Update procedures. ST.	Update procedures. ST.	Update procedures. ST.	Update procedures. ST.	Issue relevant guidance for local boards. ST.	

Note. "On-going" refers to a continued, on-going effort; "ST", refers to a short-term implementation period (completed within the first 6 months of the plan); "MT", to a mid-term implementation period (completed within the first 2 years of the plan); and "LT", to a long-term implementation period (completed no earlier than 3rd year of the plan).

III(a)(2)(B) Alignment with Activities outside the Plan. Describe how the activities identified in (A) will be aligned with programs and activities provided by required one-stop partners and other optional one-stop partners and activities provided under employment, training (including Registered Apprenticeships), education (including career and technical education), human services and other programs not covered by the plan, as appropriate, assuring coordination of, and avoiding duplication among these activities.

Required Partner Programs

The workforce system will strive in providing effective access to programs and services, within the meaning of the proposed rule, having either "program staff physically present at the location; having partner program staff physically present at the one-stop appropriately trained to provide information to customers about the programs, services, and activities available through partner programs; or providing direct linkage (which entails providing direct connection at the One-Stop, within a reasonable time, by phone or through a real-time Web-based communication to a program staff member who can provide program information or services to the customer; and excludes providing a phone number or computer Web site that can be used at an individual's home; providing information, pamphlets, or materials; or making arrangements for the customer to receive services at a later time or on a different day) through technology to program staff who can provide meaningful information or services".

Programs authorized under title I of WIOA, including Job Corps

As with all required partners, the local areas will coordinate with Job Corps Program for delivery of its service through the development of a MOUs entered into between the Local Boards, the Chief Elected Officials and Jobs Corps, considering the services that local areas will deliver through the One Stop Centers to Job Corps participants, how infrastructure costs will be shared, methods of referral of individuals among programs and contractual terms of the MOU and the process to amend it.

Programs authorized under title I of WIOA, including Youthbuild

The jurisdiction has yet to apply for USDOL Youthbuild funding. The State Board will encourage the participation and pursuit of competitive funding by the PRDOH and the local boards.

Programs authorized under title I of WIOA, including Migrant and Seasonal Farmworkers Program

Please, refer to section VI.W-P(e), below.

Activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.)

The Senior Community Service Employment Program (SCSEP) is funded under Title V of the *Older Americans Act* Amendments of 2006, Public Law 109-365. The purposes of the SCSEP are to foster individual economic self-sufficiency and promote useful opportunities in community service activities, which include community service employment for unemployed low-income persons who are age 55 or older, particularly persons who have poor employment prospects, and to increase the number of persons who may enjoy the

benefits of unsubsidized employment in both the public and private sectors. Currently, Puerto Rico has three grantees (AARP, Experience Works and the PRDOLHR), including the state grant; serving 617 participants throughout the Island. The state grant for PY 2012, currently administered by the PRDOLHR, has 125 authorized positions thereby serving 20 percent of the total participants of the SCSEP in Puerto Rico.

Since the state grant program was transferred to the PRDOLHR in 2010, the agency has gone to great lengths to provide participants and host agencies with a smooth change and no disruption of services. In order to improve the program, the PRDOLHR completed a participants' profile in order to identify training needs and help them transition from their community service assignment to unsubsidized employment.

Once transitioned, SCSEP staff conducted interviews with all host agencies representatives and participants, through which found that participants and host agencies were in need of information and clarification regarding the program operations and goals. To help correct the gaps the program developed the following: a SCSEP Operations Manual, a Host Agency Manual, a Participant's Manual and a Data Validation Handbook.

All documents were completed in Spanish to ensure full comprehension by program staff, host agencies representatives and program participants. The PRDOLHR also performed training sessions for host agencies and orientation sessions for participants, to guarantee full understating of SCSEP functions and goals; along with their roles and responsibilities under the program. Taken together, these were important steps toward improving the services and outcomes of the SCSEP in Puerto Rico.

The SCSEP program also signed MOUs with the local boards to facilitate the coordination of activities with local One-Stop Career Centers. The Director of the SCSEP state program will continue to represent the SCSEP in state level One-Stop partners' meetings and initiatives. This group of program administrators will ensure effective collaboration among seemingly disparate programs and constituencies. Each partner learns of the other programs and goals and makes every effort to ensure regional and local operations are informed of such.

At the local level, SCSEP will continue to remain an active partner in the One-Stop Centers. Coordination of services for participants at locals One-Stop Career Centers will include occupational skills evaluations, labor market information, job search strategies, intensives services/training needed by specific participants, and other resources valuable to the SCSEP. The program will assist One-Stops by providing presentations to clients on various topics to enhance their chances of obtaining and retaining employment. Other collaborative efforts will promote joint training activities and job fairs, share job leads and joint efforts to engage the business community in initiatives that identify qualified older workers meeting the employer needs.

The skills assessment and job search assistance tools and techniques for this population need to take into account that many older workers might have a combination of several factors that might hinder their searches such as; single employer experience, outdated job search techniques, financial pressures and lack of formal education, all factors that need to be incorporated into training and accommodation processes.

As administrators of the Vocational Rehabilitation Services, Unemployment Insurance and Compensation Program, Employment Services Program, and Veterans Program, the PRDOLHR continues to integrate the SCSEP to the services provided by these other programs, including core programs and the One-Stop network. Through internal collaborative agreements, eligible participants of the SCSEP will benefit of more intensive level of job search assistance with referrals to the Reemployment and Eligibility Assessment (REA) program, funded by the USDOL to provide more intensive reemployment services. In coordination with the PRDOLHR Veterans program, participants of the SCSEP that qualify as veterans will receive available services.

Since the island currently lacks a statewide-integrated public transportation service capable of reaching the entire territory, the program cannot implement an Island-wide public-transit initiative. Instead, the SCSEP has agreements to provide free transportation services to participants with no means of transportation or with limited mobility. Host agencies and municipal governments provide participants with door-to-door transportation at no additional cost to the program or the participant. The program will continue to participate in local coordinated transportation plans with municipal governments, or statewide initiatives like that seeking to implement the *Complete Streets Act of 2010*, to ensure that local transportation initiatives consider the needs of older workers and older citizens in general.

The SCSEP provides priority of service to those most in need, as required by 20 CFR 641.520, which includes individuals with disabilities and veterans. Currently, no veterans are enrolled and only one participant with disabilities is registered in the program, despite continued outreach efforts made in coordination with the PRDOF and the PRVRA. Further analysis of the low number of applicants with disabilities, revealed that most veterans and eligible disabled individuals receive benefits related to their disability and their perception is that their benefits will be lost or reduced with participation. The SCSEP in coordination with public and private agencies and organizations will continue to conduct strong outreach efforts to identify eligible participants among veterans and people with disabilities.

The SCSEP served as liaison with civic organizations for the delivery of services and assistance to people with disabilities, including veterans. Last year, in coordination with the Puerto Rico Rotary Club the program delivered wheelchairs to older low-income citizens. The program will also contribute with efforts to improve access to mainstream programs and services to reduce financial vulnerability to homelessness among veterans. The SCSEP Director serves on the Board of the Veteran's Ombudsman Office.

The SCSEP will continue to support strategies that engage participants in community education and non-formal learning communities' activities that offer skill training that compliments established community-service training positions. The program staff will gather information of such activities through host agencies, local community-based organizations and the municipal governments. Community based education providers include senior citizens, libraries, faith-based organizations and others. Future efforts need to be directed at broadening the opportunities for training and higher learning at regional State university campuses as well as technical colleges and other higher learning institutions.

The SCSEP recognizes the importance of engaging participants with local community and faith-based organizations. These organizations provided suitable and valuable community service training positions and eventual employment opportunities to participants: 81 percent of current host agencies are community and faith-based organizations that provide a variety of community services, including elderly and child care services. The SCSEP will also continue to coordinate activities with community entities such as local chambers of commerce, the developmental disability board, as well as other programs that provide services to older persons. Through partnering and coordination with community and faith-based organizations the SCSEP will continue to connect participants with supportive services.

The Office of the Advocate of the Retired and Older Persons is the State-designated agency on Aging. The SCSEP entered into an MOU with the Office to target females 62 years and older and males 65 years and older, which are short of 13 credits or less to qualify for Social Security retirement benefits. The MOU allows the programs to prioritize job search efforts for these populations.

Seeking to further coordinate with activities being carried out under other titles of the *Older Americans Act*, the program aims to partner with other titles of the OAA and the municipal governments to enable opportunities for cross referrals of eligible SCSEP participants, identify employment opportunities and designate additional host agencies. The SCSEP partners with Title III of the OAA to support nutrition, in-home care, transportation, and disease prevention and health promotion, along with caregiver support programs and services.

To maintain employer relationship and assist participants in retaining their positions after job placement, the SCSEP will ensure follow-up retention and counseling after placement into unsubsidized employment activities. Group and individual job search and job retention counseling are a built-in feature of the service delivery model used by program staff and host agencies have been integrated into these efforts. The program will continue offering training to host agency members that provide direct supervision to SCSEP participants, ensuring the integration of job search and retention strategies as part of the community service assignment.

Currently, participants of the SCSEP might appear to have adequate access to services since located in MSAs. However, most participants reside in non-urbanized areas, and thus lack direct access to hospitals, public offices and services. Despite this fundamental difference, the SCSEP will continue to use the US Census to determine participants' place of residence. The USDOL should be aware that this could impact compliance with 20 CFR 641.365, since it affects the determination of over-served and underserved locations. SCSEP will stay vigilant in compliance with equitable distribution of its SCSEP positions.

In those municipalities in which the USDOL has determined, using the most recent census data, that the eligible population has changed locations or for other reasons currently the program shows over-enrollments, a gradual shift of participants into unsubsidized employment must be aggressively pursued. This will facilitate making authorized positions available for areas in which there has been an increase of the eligible population thus is considered as underserved locations.

Career and technical education programs at the postsecondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.)

The Puerto Rico State Board of Career and Technical Education is the entity responsible for the implementation of the Carl D. Perkins Career and Technical Education Act. The PRDE is the state agency responsible for administering the program and oversees CTE in the public-school system at both secondary and postsecondary levels. There are 122 schools that operate CTE programs, 29 of which are public high schools offering solely or primarily CTE courses, with an enrollment of 31,695 students. It also comprises a postsecondary technical institute with four campuses with close to 3,021 students enrolled, in addition to the institutions that serve the corrections' system (three for the juvenile population and seven for the adult population).

Consistent with the conditions set forth in an MOU, information regarding postsecondary course offerings and activities are available to individuals at all One-Stop career centers and the Department collaborates with local boards throughout Puerto Rico to help ensure a comprehensive workforce preparation system. A PRDE representative from the regional level sits on every local board and acts as the PRDE one-stop coordinator.

The program coordinates with other programs managed by the PRDE, including Title II and the IDEA. The strategies that have been designed to attain effective coordination and avoid duplicity of services include the following:

- The CTE institutions and the Technological Institute's campuses are included in the list of One-Stop training providers and coordinate their services and offerings with the local areas in order to meet the specific needs of job seekers and employers ensuring access to vocational and technical education.

- Programs are coordinated with Title II in order to integrate basic education into occupational education. This will benefit OSY who have not completed high school diploma requirements and wish to participate in an occupational training.
- The availability of sources of financial assistance, especially PELL Grants, will be coordinated with the One-Stop Centers for those participants who qualify and wish to continue postsecondary studies.
- MOU and interagency alliances will be established, as required, to offer similar or complementary services to benefit the qualifying clientele and the rest of the Puerto Rican populations.
- MOUs will be updated and maintained, including a formalized collaboration with the PRDOLHR to promote the establishment of clear and specific guidelines necessary for effective coordination of CTE and other services.

Career Technical Education (CTE) at the PRDE provides students of all ages with the academic and technical skills, knowledge and training necessary to succeed in future careers and to become lifelong learners. In total, about 122 high school and 31,695 students are enrolled in CTE across the Island. CTE prepares these learners for the world of work by introducing them to workplace competencies and makes academic content accessible to students by providing it in a hands-on context. In fact, the high school graduation rate for CTE concentrators is about 90% – 15 percentage points higher than the national average.

Foundational to CTE are rigorous program standards. This section will help define what high-quality CTE looks like in the 21st century, with extended resources on the Common Career Technical Core and end of program of study standards, built on the National Career Clusters Framework®.

This section also features efforts by the Career Readiness Partner Council to develop a shared understanding of “career readiness,” resources to support the implementation of the Common Core State Standards and products for sale to support the implementation of Career Clusters in classrooms across Puerto Rico. Also, the occupational demand drives the focus of PRDE’s CTE goals and guidance. Directives include the following:

- Courses shall only be offered for training, upgrading, and retraining in recognized occupations and/or emerging occupations to meet the labor demand.
- Every CTE course or program offered by a school district must be reviewed to ensure that each course or program meets a documented labor demand.

- The governing board of any high school district or unified district, prior to establishing a CTE program for adults, must conduct a job market study of the labor market area in which it proposes to establish the program.
- Every provider shall receive input from the School-Business Advisory Council.
- The State Board of Career and Technical Education, in accordance with its delegated legal authority under Law No. 85-2018, known as the Educational Reform Act of Puerto Rico, ARTICLE 12.02, establishes that it shall administer the State System of Occupational and Technical Education and shall ensure that the Department of Education complies with minimum industry standards in the curriculum of the Occupational Magnet Schools and post-secondary occupational, for which this Regulation of the State Board of Career and Technical Education is hereby issued.

In compliance with the policy established in Law 85[2018], the purpose is to establish and align the requirements of the Carl D. Law. Perkins (2006) with the Department of Education's Career and Technical Education System to make it a comprehensive and coherent (CTE System) which: provides students with exposure to the world of work; offers students the opportunity to learn rigorous technical and professional skills that are aligned with industry standards; and provides, through the achievement of credentials, preparation for a smooth transition to postsecondary education and training programs.

The CTE System will establish and maintain collaborative agreements with higher education, technical training programs, economic and workforce development initiatives, banking, commerce, industry and business. These collaborative agreements will systematically promote and manage professional development of occupational teachers in critical and emerging industries and provide education and training programs that respond to the needs of students, businesses, banking, commerce, industry and the economy. The Department of Education (Office of CTE) will be responsible for the day-to-day administration and management of the programs which comprise this CTE System, and for receiving and administering the funds associated with occupational and CTE programs at the secondary and postsecondary levels. The Board serves in an advisory and oversight role, ensuring that the CTE System is aligned to the requirements of the Perkins Law and supporting the objectives of a comprehensive and coherent CTE System as outlined above.

This State Board rules, policies and statutes, are designed to ensure:

- a. An occupational and technical education is equally available to all students and is of consistent quality throughout Puerto Rico;
- b. The time and content of career and technical education are properly and flexibly coordinated with academic instruction;
- c. Career and technical education is available to all student populations, particularly in high unemployment areas or where occupational re-training needs are required;

- d. Career and technical education programs, as well as curriculum courses, are useful for your graduates to obtain employment or improve the quality of their employment;
- e. Career and technical education programs will be coordinated with state programs related to education and training. This includes ensuring that graduates in career and technical education receive appropriate credit for the requirements of apprenticeship and professional licensing programs in order for them to pass their revalidation exams;
- f. Regional occupational and technical education services are provided efficiently. ; and
- g. Alternative curriculums, curricula and/or standards are developed to allow inclusion of students with disabilities, and funds may be used for the provision of the services required in the Individualized Education Plan (IEP), as required by federal law.

Under WIOA, the program seeks to support the system through partnerships with industry, updating of curriculum, development of career pathways to address workforce needs, articulation agreements with post-secondary education programs (as Puerto Rico Technological Institute (ITPR) and the University of Puerto Rico(UPR)), recruitment and training of qualified CTE teachers, teacher externships, and ongoing professional development opportunities. WIOA emphasizes greater coordination between workforce development and CTE through aligned definitions, the requirement that postsecondary CTE be a local infrastructure partner, the option to do a combined state plan that meets the planning requirements for WIOA's core programs and at least one other federal program, and other provisions.

The PRDE will continue furthering cooperative agreements with the Technological Institute and other public and private postsecondary institutions, with the purpose of offering students the opportunity to complete college degrees by means of a sequential curriculum and avert any duplicity of courses. Also, the PRDE will continue offering the dual credit program in the secondary level through which the participating students complete an associate degree in the ITPR and the UPR through a sequential curriculum, in addition to completing the high school diploma requirements.

Puerto Rico will strive to guarantee that its students will be able to transfer applicable credits for admissions and degree requirements. Since the program of study covers secondary and postsecondary levels, PRDE has identified the appropriate alignment of related industry recognized credentials and certifications. If the student earns a credential at the secondary level, that credential will be recognized at the postsecondary level through the articulation agreement.

The PRDE will continue promoting the participation of students in study and work experience in their respective areas of technical competency, in order to increase the number of students completing a postsecondary degree while working in an area related to their major field of studies. Pell Grant, child-care, and other benefits will be offered to students who qualify and pledge to initiate and complete postsecondary studies towards a college degree or certification.

The PRDE's CTE system is aligned with the national model of career clusters and pathways. Currently, sixty-nine programs of study are approved and might be adopted by eligible participants. The programs of study exist within the framework of ten career clusters and twenty-five pathways. At least one program of study is supported in each school. In all, 122 schools are approved in different pathways. CTE courses are offered at a total of 134 educational institutions within Puerto Rico. This group of 134 educational institutions is made up of Career and Technical High Schools (28), High Schools with Career and Technical Departments or Offerings (91), Career and Technical Area Schools (1), Specialized Career Schools (2), Special Education Schools Centers (6), Technical Institute Campuses (4), and other career schools (2).

All new CTE programs of study developed and approved must identify the state credential/certification available upon completion at the secondary level, if any, and the additional education or apprenticeship opportunities after high school as well as the industry credentials available upon completion of those levels. The State Department and the Health Department (in case of health-related careers) oversee credentialing, certification, and licensure requirements. The following courses are regulated by the Board of Examiners: Architectural Drafting; Plumbing; Electricity; Industrial Refrigeration; Refrigeration and Air Conditioning; Barbering and Hair Stylist; Industrial Electronics;; Automotive Collision Repair; Auto Mechanics; Heavy Machinery Mechanics; Automotive Technology; Practical Nursing; Emergency Technician; Dental Assistant; Associate Degree in Health Sciences – Nursing; Associate Degree in Health Sciences – Pharmacy Assistant; and Surgical Technology.

Through the One-Stop Centers the program will expand its outreach capabilities. Program information and resources will be made available aiming to help increase the awareness and understanding of programs of study among students, parents, counselors, faculty, administration, and business and industry. Trainings and workshops will be continually offered to help disseminate up-to-date Perkins information, including CTE program of study offerings.

The program ensures equal access and actively promotes programs for nontraditional training and employment. The program provides the necessary support services, including transportation, child-care and the appropriate equipment for disabled persons and other participants who qualify. The curriculum is adapted as needed to ensure the full participation of all the members of special populations, the program works collaboratively with other agencies serving special populations, and the PRDE continually assesses and monitors the program to ensure equal access and participation in CTE to the members of special populations.

Coordination is also maintained with several special projects managed by the PRODE dedicated to supporting the development of its students in special populations including Title II, Assistance for Pregnant Teens, Bilingual Citizen Project, Special Education, and Work Study Program. Alternate schedules are also available to students through the

Centers for CTE Services. The Centers for CTE Services allow students to participate in CTE programs during the afternoon and participate in academic offerings during the evenings and during the weekends.

Other strategies for ensuring access to CTE programs for special population students include:

- Outreach and recruitment information regarding career opportunities with an emphasis on nontraditional opportunities
- Identification of special population students
- Utilization of assessment tools and individualized education plans for special population students enrolled in vocational and technical programs to determine their special needs;
- Planning and coordination of supplemental services for special population students enrolled in vocational and technical education programs;
- Identification of appropriate adaptive equipment, assistive devices and new technology for students with disabilities; and
- Identification and development of special instructional materials or adapting existing instructional materials for vocational and technical programs.

The PRDE provides alternative education programs for students who are at least 16 years old who have left high school and want to return to high school with a more flexible schedule to satisfy both their academic and occupational requirements for graduation with a high school diploma and occupational certificate.

In addition, short-term and nontraditional offerings will be enhanced for the purpose of increasing occupational retraining alternatives, in accordance with the needs and interests of special populations and the demands of the workforce. Referrals of eligible cases will be made for interactive services and programs offered by the PRVRA and PRDE's Special Education. These services include the following aspects: Orientation and Counseling; Physical and mental rehabilitation; Vocational training; Transportation; Allowance; Interpreters for the hearing impaired; Readers for the blind; Personal assistant services; Occupational equipment; Job Placement; and Follow-Up.

The PRDE operates six special education schools for at-risk students. These are non-Perkins prevocational schools that are fully equipped with sophisticated technology and provide occupational skills training and prepare students to enter a regular vocational or academic high school. Special support services are provided to address the educational and psychological issues faced by students.

Another alternative educational program is the Validation of Occupational Experiences, which works with individuals who have a middle school diploma (9th grade) and occupational experiences in a specific area but do not have a formal certificate/credential. The program trains these individuals so that they obtain a certificate in certain regulated industries. Once the individual has the certificate, he/she is eligible to request the examination administered by the State Examining and Licensure Board for the corresponding occupational area.

A close coordination will be established with the Boards that regulate the different occupations, for the purpose of establishing differentiated requirements for students of special populations, such as offenders, special education students and participants in nontraditional courses, when applicable.

Special procedures or mechanisms will be implemented to achieve job placement for persons released from correctional institutions and for the disabled. The PRDE will continue to promote dialogue and joint planning activities with representatives from the correctional institutions, the liaising resources, and representatives from CTE, in order to:

- Promote the development of the annual need's assessment of the inmate population who demonstrate interest in vocational and technical courses, for the purpose of determining the programmatic offerings that will prevail during each school year.
- Promote the identification of adult and juvenile offenders who will receive occupational and technical training for employment or self-employment, taking into account the remaining years of imprisonment before their release.
- Promote the implementation of administrative procedures in the different correctional institutions, in order to provide the required attention to the technical training phase of each student in the event he/she is transferred from one center to another.
- Determine the nature of the necessary technical assistance.
- Design an annual programmatic and fiscal monitoring program.
- Determine the necessary procedures for the job placement and follow-up of graduates.
- Determine the necessary procedures for updating, identifying and using the existing equipment acquired with Perkins funds.
- Determine the necessary procedures for updating, identifying and using the existing equipment acquired with Perkins funds.

- Identify support services for the qualifying correctional population.

Finally, PRDE provides short courses for adult students to develop a career skill. Those courses provide a unique challenge and have different expectations from the education experience. It takes a special approach to help these learners reach their full potential. Our adult career education courses are designed to address professional and career-based learning as well as community-based education. These classes encompass topics such as adult learning theory and its application to curricula and instructional design, the effective use of technology and the assessment of learning. All the courses are alignment in the 16 cluster of the industry. Taking adult career education courses allows in everyone the opportunity to develop new skills, deepen your knowledge in key areas and pursue new opportunities.

Activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.)

The main goal of the Trade Adjustment Assistance (TAA) program is to assist workers who have lost or may lose their jobs as a result of foreign trade. The TAA program offers a variety of benefits and services to eligible workers, including job training, income support, job search and relocation allowances, a tax credit to help pay the costs of health insurance, and a wage subsidy to workers 50 years of age and older. This program seeks to provide skills, credentials, resources and support to displaced workers, to encourage them to an early return to the labor force.

The TAA program is integrated in the provision of services of the State Rapid Response Office and One-Stop Centers. The State Rapid Response Office delivers the first services industries in need and determines if the industry qualifies to be certified under the TAA program. If eligible, the Office helps the industry filing a petition to the USDOL. In case of certification, the Office will notify the workers available benefits and services. This process takes about 30 or 40 labor days. During this period, displaced workers can obtain services from the One-Stop Centers.

Co-enrollment in Title I ensure overcoming the barriers to an expedient service. Most workers meet dislocated worker eligibility criteria and so shall enter the one-stop delivery system immediately following the announcement of a layoff. Early skills assessment improves TAA participation rates and allows individuals more time to consider options, even before these workers may become eligible for TAA. Once TAA eligibility has been established when the USDOL certifies a petition for TAA, and workers have been informed that they are covered by a certification, One-Stop Centers staff will continue to serve co-enrolled TAA-certified workers, as part of the dislocated worker service delivery system to avoid duplication of services. Braided funding will also be leveraged to support OJT for co-enrolled workers.

The Rapid Response Office and the TAA services will be effectively integrated to the One-Stop Centers and use the network as the main point of participant intake and delivery of TAA program benefits and services. To this effect, MOUs will be readily implemented with local boards and operators ensuring only State government personnel will perform TAA-funded functions undertaken to carry out the TAA program.

Please, refer to section VI.I-B(a)(2)(D) for additional information.

Activities authorized under chapter 41 of title 38, United States Code

Puerto Rico Department of Labor, through the Jobs for Veterans State Grant (JVSG), is committed to serving transitioning service members, veterans, and their families by providing resources to assist and prepare them to obtain meaningful careers and maximize their employment opportunities. JVSG commitment is an important part of fulfilling our national obligation to the men and women who have served our country.

While continuing to serve existing veterans and other non-veteran job seekers, we recognized that changes in workforce programs' service delivery strategies to veterans were needed to respond to the forecasted increase in veterans, including men and women transitioning from the wars in Iraq and Afghanistan, to the civilian labor force. Additionally, we are working with workforce partners to ensure changes are affected so workforce programs are aligned with the roles and functions established in their authorizing legislation.

Disable Veterans' Outreach Program Specialist (DVOP)

The JVSG staff was refocused on their statutory duties to ensure that eligible veterans and eligible spouses receive the best combination of services, according to their needs. To accomplish this refocusing, Disabled Veterans' Outreach Program (DVOP) specialists serve only those veterans and eligible spouses most in need of intensive services. As a result, DVOP specialists will serve a narrower group of veterans and eligible spouses, enabling the specialists to provide intensive services to a vast majority of the people they serve. This, in turn, will impact the core programs, including WP and Title I.

Under 38 U.S.C. 4103A(a), a DVOP specialist provides intensive services and facilitates placements to meet the employment needs of veterans, prioritizing service to special disabled veterans, other disabled veterans, and other categories of veterans in accordance with priorities determined by the USDOL. Policies and procedure are in place to specifically prohibit DVOP specialists from performing non-veteran related duties that detract from their ability to perform their statutorily defined duties related to meeting the employment needs of eligible veterans. Additionally, regular audits are performed by the DVET to ensure compliance with the limitations on the duties of DVOP specialists.

DVOP specialists also place maximum emphasis on assisting veterans who are economically or educationally disadvantaged. To ensure that DVOP specialists are able to fulfill their statutory responsibilities to provide intensive services to these categories of veterans, they are required to follow guidance developed by USDOL to identify the veterans prioritized and emphasized by the DVOP statute. An eligible veteran or eligible spouse who is identified as having a significant barrier to employment is immediately referred to a DVOP specialist or, in instances where a DVOP specialist is not available, another provider of intensive services.

Also, as directed by the USDOL, veterans aged 18 to 24 years are referred to a DVOP specialist for services. Veterans also receive reemployment services under a FY 2016 Reemployment Services and Eligibility Assessment (RESEA) program. RESEA provides focused case management services, including reemployment orientation, individualized career assessment, and job search assistance.

Local Veterans' Employment Representative (LVER)

LVERs perform only the duties outlined in 38 U.S.C. 4104(b), which are related to outreach to the employer community and facilitation within the state's employment service delivery system. LVERs have assigned duties to promote to employers, employer associations, and business groups the advantages of hiring veterans. LVERs, where implemented, are part of the One-Stop Centers "business services team" or like entity, and as such serves as an active member of that team. Also, LVERs advocate for all veterans served by the network with business, industry, and other community-based organizations by participating in appropriate activities such as:

- Planning and engaging in job and career fairs
- Conducting employer outreach
- In conjunction with employers, conducting job searches and workshops, and establishing job search groups
- Coordinating with unions, apprenticeship programs and businesses or business organizations to promote and secure employment and training programs for veterans
- Informing Federal contractors of the process to recruit qualified veterans
- Promoting credentialing and licensing opportunities for veterans
- Coordinating and participating with other business outreach efforts

LVERs are also responsible for "facilitating employment, training, and placement services furnished to veterans under the applicable State employment service delivery systems"

(38 U.S.C. 4104(b)(2)). This facilitation duty is defined as the act of capacity building within the state's employment service delivery system to ensure easier access to the appropriate employment and training services for job seeking veterans. LVERs plays an important role in assisting with the development of the service delivery strategies for veterans in their assigned One-Stop Centers, as well as educating all One-Stop Centers partner staff with current employment initiatives and programs for veterans.

Gold Card Initiative

The **Gold Card** provides unemployed post-9/11 era veterans with the intensive and follow-up services they need to succeed in today's job market. The Gold Card initiative is a joint effort of the DOLETA and the Veterans' Employment and Training Service (VETS). ETA and VETS have developed a series of enhanced intensive services, including follow-up services, to identify those barriers to employment faced by veterans of post 9/11 era. The services, when provided under the Priority of Services to Veterans, are designed to overcome those barriers and to reinsert our 9/11 era veterans the labor workforce.

Due to the high unemployment rate faced by our veteran population, "Gold Card" services are available to veterans to help them obtain the necessary help to reinsert them in the labor market as soon as possible. An eligible veteran can present the Gold Card at his/her local One-Stop Career Center to receive enhanced intensive services including up to six months of follow-up. Information about the "Gold Card" initiative might be found at <http://www.dol.gov/vets/goldcard.html>. On this web site veterans might have the opportunity to print their "Gold Card" certificate and obtain information about how to access the available services.

The enhanced in-person services available for Gold Card holders at local One-Stop Career Centers may include:

- Job readiness assessment, including interviews and testing
- Development of an Individual Development Plan (IDP)
- Career guidance through group or individual counseling that helps veterans in making training and career decisions
- Provision of labor market, occupational, and skills transferability information that inform educational, training, and occupational decisions
- Referral to job banks, job portals, and job openings
- Referral to employers and registered apprenticeship sponsors
- Referral to training by WIA-funded or third-party service providers

- Monthly follow-up by an assigned case manager for up to six months

Employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. 9901 et seq.)

Through appropriate guidance, local boards and operators will be encouraged to seek CSBG funds passing through the PRDOF or partner with current sub-grantees to expand their offer of training, capacity building and supportive services at the local level.

Employment and training activities carried out by the Department of Housing and Urban Development

Cross training will be provided to One-Stop Center staff on HUD programs. Through planning guidance, local boards and CEO's will be encouraged to actively participate in the planning process of State and entitled municipalities mandated under the CDBG to schedule activities aimed at providing assistance to profit-motivated businesses to carry out economic development and job creation/retention activities to benefit low- and moderate-income persons. Planned activities at the State and entitled municipalities levels have consistently been concentrated around the provision of infrastructure.

The State Board will also encourage local boards and the PRDOH to seek participation in Youthbuild, Job Plus and other initiatives aimed at expanding opportunities for self-sufficiency for the more than 50,000 households currently served by the public housing system and the homeless populations.

Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law)

The PRDOLHR's UI programs include the following: regular UI, UCX, UCFE, TRA and PAB.

The main purpose of the Unemployment Insurance is to pay benefits to claimants and help them to return to the labor market before they exhaust their UI benefits. The Bureau of Employment Security, UI Division, will support WIOA through the RESEA personnel and by assigning one UI merit staff member to address any unemployment claimant's issue.

The PRDOLHR is committed to improve reemployment service delivery strategies. These strategies are contained in the new RESEA program and the core program activities to be implemented in the State Unified Plan. RESEA staff will be ascribed to the program as a team for the provision of reemployment services to UI claimants selected to participate in the RESEA program. A UI merit staff member will be available to work on program management. The role of this UI staff member is to serve as a point of contact for technical assistance regarding UI issues, policies and procedures.

The approach will ensure claimants served through the RESEA program at the One-Stop Centers to meet the eligibility provisions of State laws and receive an appropriate level of service suited to each individual claimant and be exposed to reemployment services (RES) including guidance, evaluation, Individual Reemployment Plan, labor market Information focused on claimants needs, referrals to job search self-directed, additional services (job search workshops, assistance in finding employment, occupational counseling and referrals to other services) and eligibility review to continue receiving unemployment benefits (UI).

RESEA staff will provide the traditional RESEA activities such as the UI eligibility review and referrals to adjudication. Responsibilities include registering UI claimants in Wagner-Peyser as required by State law, referral of UI claimants to career counselors as deemed necessary, case management, one on one personal interview with the UI claimant, job search workshops, orientation of services available through the One-Stop Centers, referral to job offers, UI eligibility review and providing UI claimants with labor market information. These services will be managed by the Reemployment Service staff and as appropriate, by a licensed career counselor, where available (not all offices have a career counselor on-site).

As part of this commitment, the PRDOLHR will monitor closely these strategies to assure its successful implementation to help UI claimants in RESEA to return to the labor market before they exhaust their UI benefits. Through the RESEA initiative, ES will make efforts to implement strategies to achieve improved UI connectivity with the public workforce system and improved reemployment service delivery strategies. PRDOLHR is committed in continuing making progress connecting UI claimants to job opportunities and/or services that will speed their return to employment.

Programs authorized under section 212 of the Second Chance Act of 2007 (42 U.S.C. 17532)

The statute authorizes the USDOL to grant funds to non for profit organizations to provide job training and job placement services to eligible offenders, including work readiness activities, job referrals, basic skills remediation, educational services, occupational skills training, on-the-job training, work experience, and post-placement support, in coordination with the one-stop partners and one-stop operators, businesses, and educational institutions.

Puerto Rico has yet to participate and compete for funding made available by the USDOL under the provisions of section 212. By equipping the State Board with the resources to help the system in pursuing competitive funding, in coordination with the PRDCR and local boards acting as non-for-profit organizations, the workforce system will be prepared to rein in any available opportunity to serve this population.

Programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et

seq.), subject to subparagraph (C).

Coordination with TANF will be strengthening to identify and pursue braided funding opportunities to support common services and to transition to procedures that facilitate serving customers under both TANF and the core programs. In the short-term, cross-program knowledge and understanding of the TANF and core programs will be delivered to staff members and a formalized referral process will be implemented to deliver career counseling and training coordination services and to provide access to job development and placement services for TANF customers.

One-Stop Centers network bring to TANF customers enhanced capabilities in job search resources, use of labor market information to guide employment and training decisions and an increased level of individualized career counseling services, while TANF provides the means to succeed in serving low-income individuals thus facilitating local boards to meet the requirements of section 129(a)(3)(A)(ii) and the Planning Guidelines issued by the State Board. Many integration opportunities remain when considering the type and extent of services provided under TANF, core and other required partner programs; nevertheless, performance measurement continues to pose challenges since TANF performance measurement is bound to work participation rates. Other challenges present stem from administrative structures and the interoperability of data systems.

TANF is administered by the PRDOF's Administration for the Socioeconomic Development of Families. Its benefits are provided to families composed of one or two parents (one disabled) or specified relatives with children under the age of 18 who are in their care or age 18 and expected to graduate a secondary school by age 19. The child is eligible provided he/she satisfies the Government's compulsory school attendance requirements.

An initial assessment is performed to determine skills, prior work experience and employability of individuals above 18 years of age, or under 18 years if it is a parent who has not completed high school or is not attending school. On the basis of the assessment, the case manager, jointly with the participant, will establish an Individual Responsibility Plan, as it is required by the PRWORA. This plan includes the participant and agency responsibilities, employment goals, and work activities and services needed to achieve the goal. Also, will describe any supportive services needed including transportation, lunch expenses, childcare, uniform, books, tools or training materials.

The Government requires recipients to engage in work without delay unless exempted. Congress never extended to the Government the option of including on case-by-case basis families in which a non-recipient parent receives SSI, when the Aid to the Aged, Blind and Disabled (AABD) Programs in the states were converted to SSI. Accordingly, the Government considers the SSI and AABD Programs as the same in the context of the TANF Program.

The participant is required to register and seek employment through the PRDOLHR's Employment Service. Also, it is referred to engage in work activities, as directed in the Puerto Rico's Work Verification Plan. Most TANF recipients must comply with at least 30 hours a week of work participation. To verify countable hours, the participant must submit the time sheet to the case manager, which must be signed by his work activity supervisor.

Core training and work experience activities under TANF include the following:

- **Job Search and Job Readiness Assistance.** All new participants are enrolled on job readiness assistance. This activity consists of 4 consecutive weeks where the recipients participate in activities for 30 hours a week. Designated staff provides assistance on decision-making, self-esteem, attitudes toward employment, budgeting, time management, job search, interview skills, job readiness assessment, classes, workshops, one-on-one training on resume writing, setting up a business, among other skills. The staff also meets with the participants to discuss their goals and coach them during their job search.
- **Community Service Programs.** Community service is a training activity that is temporary and transitional and provides participants with job skills that can lead to employment while also meeting a community need. This activity is designed for those participants that need to increase their employability, as they do not have an educational background, occupational skills and/or work experience. Participation in this activity means joining a structured program in which TANF recipients perform work for the direct benefit of the community under the auspices of public or nonprofit organizations. This activity should not exceed 12 months. In case the participant needs to stay in the activity to improve his/her skills, the case manager must document the participant's needs and obtain a supervisory approval to extend his/her participation for up to 6 additional months. The participants may be placed in fields such as health, social services, environmental protection, education, urban and rural redevelopment, welfare, public facilities, and childcare, recreation and public safety.
- **Providing Child Care Services.** This is a structured program where childcare services are provided by a participant to enable another TANF recipient to participate in an approved community service activity. The participant who provides the service must be certified as a provider for childcare services as established by the PRDOF.
- **Vocational Educational Training.** Vocational Educational Training is a structured educational program that is directly related to the preparation of participants for employment in current or emerging occupations. This training provides the individual with the knowledge and the occupational skills to become employed. This activity will not exceed 12 months and must be offered by accredited institutions. This activity might include training towards a baccalaureate or advanced degree but will not

exceed the 12-month period. This activity will only be allowed during the last year of studies.

- **Unsubsidized Employment.** Paid full-time employment in the private or public sector that is not subsidized by TANF or any other public funds. This activity includes self-employment and participants might become employed by their efforts or guided by the Administration's designated staff.
- **Subsidized Private and/or Public Sector Employment.** Paid employment for which an employer receives a subsidy from TANF funds to offset the cost of the wages and any additional costs used to serve TANF participants. TANF designated staff will use marketing skills to encourage employers to make employment opportunities available to these participants. This activity must not exceed 52 weeks and the participant is required to be working for a minimum of 30 hours per week. The program reimburses the wages paid to the employer, supportive services (childcare, transportation and food) and any other expenses required for work activities or job placement that will be evaluated case by case.
- **Work Experience.** The purpose of work experience is to improve the employability of those who cannot find unsubsidized full-time employment. Placements are made in the private or public sectors and are designed to prepare participants to obtain unsubsidized full-time employment by helping them develop a current work history, establish employment references and develop and improve marketable skills. The participant will be working while receiving TANF benefits. The case manager evaluates the participant's work abilities to place him/her accordingly and will evaluate the participant's performance monthly thereafter. Participation in this activity should not exceed 12 months, except for a warranted extension for up to 6 additional months. The work-site provider signs an agreement that includes the participant's schedule, provides daily supervision to the participant and keeps in contact with the case manager to discuss the participant's progress. Work experience placements occur at any bona fide business including business, industry, government or nongovernmental agency setting.
- **On-the-Job Training (OJT).** OJT is paid employment at a work site by a public or private employer in which the employer provides training and skills essentials to perform productive work. This training is provided by the employer and must be documented in a formal training plan that is evaluated and approved by the Administration and included in a contractual agreement. Also, the employer must agree to keep the participant working as a regular employee after the training. The length of this activity will be based on the participant's skills and the employer's needs but will not exceed more than 3 months. The participant must comply with the 30 hours a week required by the program.

Non-core training and work experience activities under TANF include the following:

- Job Skills Training Directly Related to Employment. Consists of trainings or education for job skills, required by an employer to obtain employment or to advance or adapt to the changing demand of the workplace. This activity may also include training to promote basic skills such as computer and workplace literacy, work values, occupational and transferable skills and personal career portfolio development.
- Education Directly Related to Employment. This activity is aimed for adults who have not received a high school diploma or GED and provides education to acquire knowledge or skills in relation to a specific job or job offer. It consists of adult basic education or GED preparation and testing.
- Satisfactory Attendance at Secondary School. This activity is aimed for those participants who have not obtained a high school diploma. For minor parents it will consist of regular attendance at a secondary school or in a course leading to a GED, over the 20 hours of core activities. Adults may participate in a course leading to a GED, for a maximum of 10 hours weekly, as a non-core activity.

On-going coordination between TANF and core or required programs encompass the following activities:

- Employment Services. TANF participants are required to register with the PRDOLHR's Employment Service. Participants receive assessment and testing; counseling; job search workshops; labor exchange; job referral and job placement among other services.
- Title I. TANF participants are referred to receive allowable employment and training services.
- Title II. TANF participants are referred to receive bridge or remedial education and prepare for GED testing.
- PRVRA. Participants with disabilities are referred to obtain allowable services, including training, counseling and employment.
- PRDE. TANF participants are referred to obtain vocational education.

The program also coordinates program or supportive services with other entities, including those offered by the Youth Development Program at PRDEDC; the provision of health care services, including mental health services with the Department of Health and prevention programs administered by the Government's Substance Abuse and Mental Health Services Administration; PRDOH's help in finding subsidize housing; services to victims of or at-risk of domestic violence, such as counseling, referrals and hot-line services, and shelter alternatives to victims offered by the Women's Advocate Office;

childcare and developmental services for pre-school children of TANF participants engaged in activities approved by the program, offered through service providers; and referral of participants to enroll in the PRCEC's and the Economic Development Bank to benefit from programs targeting self-employment and entrepreneurship, among other.

Additional Partner Programs

The state Board will encourage expanding services and extending the collaboration of local boards and operators with federal programs other than required partners and with State-sponsored workforce development programs, prior approval of the boards and the CEOs. As directed under the proposed rule, the collaboration should reflect the appropriate mix of services based on local or regional labor market information and population demographics.

Employment and training programs administered by the Social Security Administration, including the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b-19)

Through the issuance of local planning and certification guidance, the State Board will encourage local boards and operators to become engaged in the Ticket to Work program as qualified Employment Networks. Puerto Rico's serviced by 66 employment networks; nevertheless, just one (Caguas Guayama) out of the 15 local workforce areas is currently qualified as an Employment Network.

The PRVRA continues receiving referrals from the Ticket to Work Program for the purpose of providing vocational rehabilitation services. In addition, the PRVRA established an agreement with the Caribbean Center of Work Incentives Planning Assistance (CWIPA) to provide benefits planning service to the consumers of the PRVRA who are beneficiaries of the Social Security Disability Insurance. This service is expected to help these beneficiaries in decision-making regarding the benefits of reintegrating into the labor market.

As required under WIOA, PRVRA will coordinate its services with the Employment Networks for common customers, including individuals receiving assistance from an Employment Network under the Ticket to Work program, detailing how the responsibility for service delivery will be divided between the network and the agency.

Employment and training programs carried out by the Small Business Administration (SBA)

Coordination with the local district office of the SBA will be enhanced to fully tap into the opportunities available under the program for entrepreneurial capacity building and development. As previously discussed, although self-employment in Puerto Rico accounts for roughly twice the national average, entrepreneurship development still lags significantly when compared to other jurisdictions, thus representing a key opportunity

for private employment creation.

Through planning guidance, local boards will be encouraged to engage the SBA and its network of Small Business Technology and Development Centers (SBTDCs) with locations in 6 local areas, and its specialized centers for international trade, technology and innovation, and the program initiatives servicing students, women, veterans and national guard reserve personnel, young and emerging entrepreneurs, older persons, and homemakers. The local boards shall also be encouraged to leverage the small business regional clustering organization initiative serving the entire Island led by the SBA.

Under the lead of the PRDEDC, the Federal Contracting Center will approach the SBA program to devise ways to effectively market the HUBZone's opportunity to "Under the Flag" industries, helping to expand employer's availability in 76 of 78 Municipalities identified and Labor Surplus Areas.

Programs authorized under section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4)) and work programs authorized under section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o))

The USDA's FNS oversees a U.S. block grant to Puerto Rico that funds the Nutrition Assistance Program (NAP), which is a separate food assistance program implemented since 1982 in lieu of SNAP. Section 4142 of the Food, Conservation, and Energy Act of 2008 mandated the completion of a study to provide information to aid the Congress in understanding the potential impact of reestablishing the Supplemental Nutrition Assistance Program (SNAP) in Puerto Rico in lieu of block grant funding. The block grant remains.

Under NAP (and TANF), coordination has been established to require unemployed able-bodied adults to register for work at the employment Registry of the Employment Service and seek employment. Individuals are required to participate in employment and training activities or employment interviews, and accept or continue in employment if it is adequate. An MOE funded Puerto Rico Food Benefit Program provides for a six-month additional TANF benefit for food to be paid to NAP recipients who work at least 30 hours weekly, are not TANF recipients, and are single parents or relatives living with a related minor under 18. Certain unemployed able-bodied adults are exempt from the work requirement.

Programs carried out under section 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732)

The Client Assistance program remains under the Office of the Advocate of the Persons with Disabilities. The system's components that provide services to persons with disabilities will be made aware of the obligations arising under sec. 20 of the Rehabilitation Act, including providing information on means of seeking assistance under the Client Assistance program. The PRVRA, as state-designated agency for administering the core program under the Rehabilitation Act will also continue enforcing compliance section 102, providing individuals a description of services available from the client assistance program and information on how to contact the program as part of the eligibility determination process.

Programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.)

After entering into an Agreement for Grant Termination in 2005 with the National corporation of Community Services, the Commission for Volunteerism and Community Services was established under EO 2009-036 to support the reactivation of the State's participation in the programs enabled under the National and Community Services Trust Act of 1990, including AmeriCorps. Since 2004, Act 261, as amended, has authorized the municipalities, agencies, and government instrumentalities to establish volunteer programs.

Coordination between the program and TANF community services, might present an alignment opportunity. No specific provision is made under the plan to coordinate services; nevertheless, as mentioned, recommendations might be advanced to further modify the state-designated membership of the Commission with the purpose of facilitating improved coordination with the components of the workforce development system.

Registered Apprenticeship Program

Puerto Rico will join the rest of jurisdictions currently implementing the program. A bill has been forwarded to create the "Puerto Rico Apprenticeship Program", ascribed to the PRDOLHR, with the purpose of stimulating and assisting industries in developing and improving apprenticeship and training programs designed to provide skilled workers, in compliance with the National Apprenticeship Act of 1937. The statute will incorporate collaboration mandates with the components of the workforce system.

The workforce system plans to tap on the flexibility afforded to the Registered Apprenticeship program under Title I-B's automatic eligibility status of apprenticeship sponsors, to expand the opportunities for work-related instruction, including advancing the provision of services through:

- Employers who provide formal in-house instruction as well as on-the-job training at the work site
- Employers who rely on a post-secondary institution, technical training school, eligible provider of adult education and literacy activities under title II to provide the instruction
- Joint Apprenticeship Training Programs delivered by employers and unions
- Intermediaries serving as program sponsors by taking responsibility for the administration of the apprenticeship program, providing expertise such as curriculum development, classroom instruction and supportive services, as appropriate, and including:
 - Educational institutions administering the program, working with employers to hire apprentices and providing classroom or on-line instruction for the apprenticeship program
 - Industry associations, including professional associations involved in the maintenance process of credentials for certain trades in Puerto Rico, administering the program and working with employer/members and educational entities to implement the apprenticeship program
 - Community-based organizations administering the program and working with employers, educational entities and the community to implement the apprenticeship program

Registered Apprenticeship will also be delivered as a career pathway for job seekers and as a job-driven strategy for employers and industries.

On July 1st, 2016, the former Governor of Puerto Rico, Alejandro García Padilla, through an Executive Order, appointed the Puerto Rico Department of Labor and Human Relations (PRDOLHR) as the State Apprenticeship Agency. On the same Executive Order, the PRDOLHR and the Puerto Rico Department of Economic and Development Commerce were ordered to execute collaborative agreements to promote the adoption of registered apprenticeship programs and align those agreements with the island's economic development strategies.

Since September 2017 we have been working to develop and implement the Apprenticeship Program in Puerto Rico. Unfortunately, the Island was hit by two hurricanes: Irma and Maria, one after the other. Hurricane Maria, the most powerful and devastating hurricane in the history of the US Territory, hit Puerto Rico September 20th as a Category 5 hurricane. Regardless of the on-going recovery efforts and the challenges, we have been working endlessly to continue with the implementation of the

Apprenticeship Program in Puerto Rico.

Some of the things we have accomplished are:

- A formal presentation has been prepared for the employers (benefits / advantages);
- Forms and documents have been designed for the Apprenticeship Program and approved by the Office of Apprenticeship - Region 1;
- We have participated in telecommunication meetings, on-line webinars and program-related seminars;
- Apprenticeship Foundational Training was held in Puerto Rico this past May 2018;
- Because of the Hurricanes Irma and María, the agricultural industry was the most affected, especially the coffee growing industry. Our work plan has focused them through the Apprenticeship Program. We already made contact with the Farmers Association of Puerto Rico;
- A draft of the legislation to create and appoint the State Apprenticeship Agency is ready and being revised to be filed.
- Through a MOA with the Department of Economic Development and Commerce, until legislation passes, we are going to achieve our mission:

create a workforce that will be a catalyst for the attraction of new businesses and provide employment opportunities that ensure the highest possible standards of living for all the citizens of Puerto Rico, as well as our vision: a program that develops and sustains a career driven, adaptable and technologically literate workforce. Also, we are going to achieve our main goal: utilize strategies that offer registered apprenticeship for all american workers, particularly those populations currently underrepresented in apprenticeship, including veterans, women, youth, people with disabilities and low skilled workers.

Since July 1, 2018, the Apprenticeship Program are under the DEDC. The WDP is in charge of the implementation of the program in the workforce system. As part of the strategies for an effective implementation, the WDP is receiving technical assistance by the Apprenticeship Program of the Aerospace Company Lufthansa, located in Aguadilla PR. In addition, are receiving technical assistance by the National Apprenticeship Office and Region I in Boston.

Other appropriate Federal, State, or local programs, including employment, education, and training programs provided by public libraries or in the private sector.

As mentioned in section II(b), above, a key goal for the workforce system is to implement and sustain an effective, agile and non-redundant governance structure, supported by the alignment of state workforce programs outside the plan to eliminate redundancies. That process will result in focusing the competencies and scope of programs to strategically

serve the system. Local boards will be encouraged to partner with these programs to complement the delivery of services targeting special populations and to provide supportive services.

Other programs can be tapped through the intermediation of required partners. Such is the case of the Social and Economic Rehabilitation Program (PRES) established by the Executive Order 5019-A of November 2, 1987. TANF coordinates with this state program by referring participants to receive follow up and supportive services while seeking employment. The program is a 100% state funded and provides educational services for the obtainment of a high school degree and entrepreneur education, self-employment, and other services to develop participant skills that will allow individuals to enter the labor market.

Please, refer to sections VI.VR(c)(1) and VI.VR(e) for a description of additional programs and entities outside the plan that coordinate services with the PRVRA.

III(a)(2)(C) Coordination, Alignment and Provision of Services to Individuals. Describe how the entities carrying out the respective core programs included in this plan and required, and optional one-stop partner programs will coordinate activities and resources to provide comprehensive, high-quality, customer-centered services, including supportive services to individuals including those populations identified in section II(a)(1)(B). The activities described shall conform to the statutory requirements of each program.

Employment Service and Title, I One-Stop Integrated Services

The core and required partner delivery of services will revolve around a customer-centric integration and continuous improvement approach, supported by appropriate guidance seeking to align programs, local boards, operators and providers; staff cross-training on program requirements and referral procedures; and a structured process focusing on the provision on services along functional areas. Service integration in the One-Stop Centers will be led by the Employment Service and Title I staff in conjunction with the operator, and resources from Title II and the Vocational Rehabilitation program, required programs, and additional programs authorized to join the system that will remain accessible as required by section 361.305 of the proposed rule.

The model for service integration has been operationally tested and resulted in fine-tuning the following general service flow to serve job seekers at One-Stop Centers:

1. Greeting and identification of new customers or participants is completed at a common reception where the operator's staff records control data and validates through the case management system (SIAC) if customer is new or is receiving services under a program. In case of the latter, the customer is referred to the staff coordinating services. In case claimants of Unemployment Compensation Insurance,

that are scheduled to receive reemployment services, these are referred directly to the designated officials. Also, job seekers seeking employment shall be promptly serve by Wagner Peyser staff assigned with this functional task. If the job seeker is a new customer, its demographic and registration data will be uploaded in SIAC prior to be sent to receive general orientation on available services, or to the resource center if opted to use the One-Stop resource center to obtain information, either assisted or un-assisted by staff.

2. Wagner Peyser and Title, I staff will be designated to lead group sessions to provide orientation to customers and help them obtain a general understanding on the services offered through the One-Stop network.
3. If the customer opted to service him/herself to search for jobs available, prepare resume, use of telephone and resources will be guided to the One-Stop's resource center. Staff will be available to assist customers requiring help in analyzing the offers and information available. As mandated under 20 CFR 652.207, there will be capacity to deliver at every comprehensive center serving each local area, labor exchange services to employers and job seekers, through Self-service, Facilitated self-help service and Staff-assisted service.
4. Prior to receiving training or employment services, all job seekers must go through an assessment to determine their job skills and readiness. The task will be primarily facilitated by the Employment Service staff. A common assessment tool is being developed in order to account for the information requirements of all core and required partners thus facilitating jointly serving the customer.
5. Those customers deemed not ready for employment are furthered to the appropriate program to receive assistance. The referral structure is critical to the system's effectiveness and will be enabled by MOUs among the programs. The One-Stop Center staff must have a thorough understanding of program requirements and services to effectively assess the participant's eligibility under the various programs, avoid "wrong-doors" and duplication regarding the delivery of services, and ensure the efficient use of program resources and outcome achievement.
6. The system's partners will offer basic services career, individualized or any other allowable service required by the participant to be able to get or retain an employment. Once the participant is ready for employment, the program might pursue any job placement activity allowed for by the program or refer the participant back to the Employment Service.
7. If deemed ready for employment, the customer will be led to receive labor exchange services, including referral to jobs and job placement follow-up. If the participant is placed in employment, case management is provided for a period of not less than 12 months. If job placement or retention is not achieved, Wagner Peyser staff will

determine what additional services, including supportive services, might be required to achieve an employment outcome.

8. Services will continue to be offered to the participant until placed in unsubsidized employment, in order to fulfill the purpose of WIOA. Post-placement follow-up will be offered for a period of not less than 12 months, to ensure compliance with the performance measures.

Please, refer to section VI.W-P(a)(1), (a)(2) and (b), for additional information on services facilitated to job seekers at the One-Stop Centers.

Youth

Local boards will be directed to identify and collaborate with new or existing youth service contract operators in order to increase services to disconnected, out-of-school youth and reconnect youth to education and jobs, taking advantage of WIOA's directive to use of 75 percent of youth program funds for out-of-school youth ages 16 to 24, which is also a key population served by the Adult Education and Literacy program.

In serving the youth, Title I program will reach out to the Puerto Rico Research Alliance for Dropout Prevention to benefit from early warning systems and to identify interventions to help improve outcomes for students at risk. In the efforts of engaging out-of-school youth (OSY), both the Adult Education and Literacy program and the lead of the PRDE's representative in the local boards will be called upon to strengthen the coordination with school districts. Local boards will also be encouraged to coordinate with other programs servicing the youth, like the Foster Care and TANF programs administered by the PRDOF, the Youth Development Program at PRDEDC, youth employment programs being managed by the PRDOLHR, residential programs and community-based initiatives.

Please, refer to section VI.I-B(c)(1) and (2), for additional information on youth services.

Adult

Capacity building efforts under Title I will focus on work-based training. On-the-Job Training continues to be a key method of delivering training services to both adult and dislocated workers. The flexibility afforded to local areas under WIOA to increase the reimbursement level on OJT to up to 75 percent will be leveraged through appropriate guidance to expand this activity. The program will also target the implementation of the Registered Apprenticeship program and pre-apprenticeship programs expanding career pathway opportunities with industry-based training coupled with classroom instruction as a means to support the supply on middle-skills.

Through the implementation of appropriate guidance and as an alternative to OJT, Title I will leverage the allowance for local areas to use up to 10 percent of its adult and dislocated worker funds to provide transitional jobs to individuals, which are time-limited subsidized work experiences in the public, private, or non-profit sectors for individuals with barriers to employment who are chronically unemployed or have an inconsistent work history. As directed under TEGL 3-15, the guidance will encompass policies and plans on the amount reimbursements would be for the jobs, what supportive services should be included, and any limits on the duration of the transitional job; and identify employers (public, private or nonprofit) that can provide quality experiences for individuals to eventually obtain unsubsidized employment.

Dislocated Workers

Aside from the provision of Title I services for dislocated workers, and coordination with the TAA program, as described in section III(a)(2)(B), providing incumbent worker training will be a key activity to further the strategy of protecting employment in key sectors. Through appropriate guidance, local boards will be encouraged to leverage the allowance of up to 20 percent of their adult and dislocated worker funds to provide for the federal share of the cost of providing incumbent worker training to help avert potential layoffs of employees, especially of those that entail a statewide impact. At the State level, current guidance will be reviewed and updated to reinforce the use of set-aside funding to support layoff aversion and employment protection through incumbent worker training.

Customized training will also be pursued in order to meet the special requirements of an employer or group of employers.

Title II Services

The One-Stop Centers network will be complemented with Title II activities administered by the Adult Education and Literacy Program through the offer of basic education services, secondary education, tutorials for the high school equivalency exam, conversational English and integrated English education and civic education. During fiscal year 2016, the program offered services through 103 local providers distributed throughout the country, of which 8 providers offered integrated English education and civic education services. As a core service, Title II will support the One Stop service delivery system in helping participants attain a secondary school diploma; transition to postsecondary education and training through the use of career pathways, integrated education and training; and receive workforce preparation activities and services needed to succeed in the labor market. The program resources will be prioritized and coordinated with partnering programs to shore up services reflecting the workforce system needs.

The first priority service under the program will address the needs for Adult Basic Education, especially among disadvantaged, low-income adults and criminal offenders. The program assesses the participants' skills and provides them the literacy and math skills necessary to become literate at levels of proficiency necessary to function on the job, in the family and in society. The services are delivered in a non-threatening environment and comprise basic academic competencies, digital literacy and self-management skills that provide adults with the skills to identify and secure employment, advance on the job, improve parenting and interpersonal skills and continue on to adult secondary classes.

The program will continue to coordinate with the PRDCR to address the needs of eligible adult literacy participants in juvenile detention centers and correctional facilities through collaborative services that include vocational training, adult literacy courses, personal and workforce preparation counseling and cross training of teachers. The Special Education staff is also integrated in the planning function since a significant number of inmates are also adults with disabilities.

First order of priority will also be afforded to English language instruction. During the academic year 2016, the program served 8,031 students who participated in the Conversational English as a Second Language. As the global economy and technological demands place a bigger challenge on students to acquire an additional language, many participants are motivated to become bilingual. In view of this trend, the PRDE has made its priority to play an active role in facilitating the participants' goal of becoming bilingual.

English classes and Conversational English will continue to be provided as part of the Adult Education Program offered in the schools and Adult Education program centers. The objectives of the conversational ESL and academic English programs are to provide adults with the knowledge and skills necessary to make correct use of the English language in academic as well as in work settings; develop adults' listening, reading, writing and oral skills, and measure their performance using the English program standards and performance measures established for English as a Second Language. ESL classes have a high degree of functionality and a hands-on approach, which enhances its relevance for Spanish speakers who are learning English to access employment or advance in a workplace environment.

The second order of priority for delivering program services focuses on adults in need of workplace literacy services. The objective is to develop the required skills and knowledge so as to enable participants to obtain, retain, or upgrade their employment once they complete the specialized training or vocational education. Targeted populations are disadvantage adults, adults with disabilities, single parents and displaced homemakers. The goal of the services is to address the specific needs of the workforce and to improve workers' productivity. These activities are delivered at the workplace and/or at employment development centers; the content is tailored to the needs of the workforce and remains accessible to participants, including continuous learning through the use of technology and in coordination with groups and resources in the community to supplement services. The service fully supports integrated service delivery under WIOA through the provision life-long learning and an accessible and non-threatening environment many adult learners require. During academic year 2015, the Program served 37 students who participated in Workplace literacy activities.

Third order of priority for delivering services will target individuals facing barriers to employment, especially disadvantaged and homeless adults, single parents, adults with disabilities and displaced homemakers. These will be served through an Adult Basic Education program, which aims to improve basic skills in language and mathematics. These programs provide adults with academic, employability and self-improvement skills to assist them in attaining a secondary school diploma and in the transition to postsecondary education and training, through career pathways. As it is standard for adult education programs, the services are offered in a non-threatening environment, which promote accessibility and the necessary flexibility to ensure meeting the needs of participants. In PY2014, one of the most requested services at the One Stop Centers was

Literacy and Numeracy for Adults and Dislocated Workers and Alternative Education for Youth, in order to acquire basic skills in English, Mathematics and Spanish, necessary to complete high school or obtain the GED. Complete secondary education is key to enter employment.

A fourth priority targets immigrant and disadvantaged adults, homeless adults, single parents and displaced homemakers through Family Literacy programs. Improving student performance by improving the literacy level of parents is a strategy that has proven successful in the Adult Education program. This is accomplished by providing parents with the necessary skills and self-confidence to support their children's learning needs, become active partners in the education process as well as able tutors of their children and become better parents, and improve their personal skills. During academic year 2015, the program served 60 students who participated in the Family literacy services.

The next order of priority in delivering services will be afforded to Adult Secondary Education services for disadvantaged adults, individuals with disabilities, the homeless, incarcerated adults, adults with disabilities, single parents and displaced homemakers at level three or above who need to attain a high school diploma or high school equivalency and transition to postsecondary education.

The scope and quality of the services provided under Title II is evaluated through various reports generated through the Adult Information System (AIS). The AIS captures and collects important information about the demographic characteristics, participation, performance, services and achievements of the participants. This information is used to measure the execution and performance of local providers and the magnitude of the impact of the services on the participants, after leaving the program. Additional accountability is warranted through the 13 indicators by which service providers will be evaluated.

Vocational Rehabilitation Services

The PRVRA provides a wide range of services to people with disabilities, in order to integrate them into the workforce, including training in personal/occupational settings, pre-employment services, counseling, and job readiness services (resumes, interviews, identification of candidates ready for employment and referrals to job offers), among others. It also sponsors trainings in various accredited educational institutions to facilitate customers acquiring the knowledge and occupational skills necessary to perform in the workplace.

Moreover, the PRVRA works directly with employers to develop employment opportunities for people with disabilities. To this end, it has qualified personnel in various disciplines, the main one being the vocational rehabilitation counselor. The staff from the PRVRA's Centers for Support and Employment Modes provide guidance to employers on available services, advice on the benefits derived from training and recruiting persons

with disabilities, among other services. A case in point is the Employers' Forum, which is conducted each year in collaboration with the State Rehabilitation Council.

The PRVRA will continue to serve the people with disabilities in order to integrate them into the workforce. In addition to supporting full access of services through the One-Stop Centers, the ARV continue to serve youth and students with disabilities, with emphasis on those with significant disabilities, and in need of Pre-Employment Transition services. To this end, the Administration will maintain its collaboration with the PRDE's Special Education program to accelerate the implementation of the students' individualized plans, continue offering guidance in schools to students, parents and school staff, and participate in PPT meetings.

An MOU with the Job Corps program will be implemented, and other agreements will be pursued to identify out-of-school youth (OSY) that can benefit from the vocational rehabilitation services, including other residential programs like Foster Care or Youth Challenge. As agreed to with Job Corps, PRVRA staff will provide guidance on the Job Corps' premises and will provide services to eligible youth referred to Job Corps, while Job Corps, in turn, will refer to the PRVRA young people with disabilities in need of services.

Please, refer to section VI.VR(c)(1) for a description of collaboration agreements between the PRVRA and other entities.

III(a)(2)(D) Coordination, Alignment and Provision of Services to Employers. Describe how the entities carrying out the respective core programs, required and optional one-stop partner programs will coordinate activities and resources to provide comprehensive, high-quality services to employers to meet their current and projected workforce needs and to achieve the goals of industry or sector partners in the state. The activities described shall conform to the statutory requirements of each program.

As previously mentioned, a dedicated business service workflow will tend the specific needs of SMBs/SMEs and promote the use of One Stop Centers' facilities and/or staff to employers who might need it for prescreening, interviewing or other allowable activities. The service will be primarily by Wagner-Peyser staff and Title I staff functioning as a "Business Services Team" to serve employers. This team has the competencies and capacity to coordinate the appropriate services to assist employers, coordinate activities across one-stop center partner programs, and enhance business awareness of sector strategies. All core programs will coordinate their job promoters to layout common outreach plans and activities to present One Voice, One Message, One Team unified approach for the One-Stop Centers network in its communications with employers. The resources of the Puerto Rico Commerce and Exports Company will also be leveraged in providing customized services to business customers.

The One Stop Centers network will support business as a recruitment, interview, and hiring Center. The One Stop Center will continue to provide the necessary technology

services, the staff and WIOA core services to assist businesses and industry in the hiring process.

Services to employers include:

- Interviews and screening of job candidates to select skilled and trained personnel who will fill their labor force needs
- Labor market information
- Membership in the State, local boards, working groups, sector partnerships, employers' committees, among other entities, to intervene in policymaking for education, training and employment in the local, regional and statewide levels
- Use of the One Stop Center network and systems to disseminate job offers
- Incentives, subsidies, follow-up and supportive services to employees, including initial services to obtain with Health and Drug Testing, criminal records, and required certifications for prospective employees

In addition to technical services provided to employers, the PRDOLHR's integration will facilitate access to unemployment compensation services for employers, and other programs expanding employment options.

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit incentive provided to private sector businesses for hiring individuals from twelve target groups who have consistently faced significant barriers to employment. The WOTC joins other workforce programs that help incentivize workplace diversity and facilitate the access of targeted individuals to good jobs and gradually move from economic dependency into self-sufficiency.

The Employment Service staff:

- Determine eligibility of individuals as members of targeted groups, on a timely basis.
- Issue employer certifications, denials, or notices of invalidation for tax credit on a timely basis.
- Maintain a system and procedures to regularly monitor the activities initiate appropriate corrective actions.
- Manage agreements with TANF and NAP in Puerto Rico serving the majority of WOTC applications, which are from participants of the TANF or NAP programs and train staff from these programs.

- Maintain the current cooperative efforts with employment and training organizations already working with the private sector, such as Veterans organizations, Job Service Employer Committees and local boards, to inform employers about requirements for the use of WOTC.
- Train, as appropriate, State and participating agency staff and provide monitoring and technical assistance to these agencies.
- Engage in outreach efforts in order to get more qualifying employers to use the tax credit program and increase our number of certifications.

Please, refer to section VI.W-P(e)(3)(B)(ii) for additional information on services to agricultural employers; and section VI.VR(g) for additional information on coordination activities with employers in the PRVRA.

III(a)(2)(E) Partner Engagement with Educational Institutions. Describe how the State's Strategies will engage the State's community colleges and area career and technical education schools, as partners in the workforce development system to create a job-driven education and training system. WIOA section 102(b)(2)(B)(iv).

As previously discussed, the State Board will coordinate with the PRDE's State Board for Career and Technical Education, the PRDOLHR and the education services industry, the effective delivery of occupational education for high-demand, mid and high-skilled and/or technologically advanced occupations.

The State Board will assume its convening functions under WIOA to leverage the resources and concert the support of the Education Council, the PRDE, IHEs and CTE institutions to adopt a common framework to support the implementation of career pathways and to further the alignment of the educational and workforce systems. Educational institutions will also be engaged as providers of educational and training services and are critical to the successful implementation of the Registered Apprenticeship program.

Regarding services for students with disabilities, Act 51-1996, as amended, mandates coordination between the PRDE's Special Education Program and the PRVRA, among other agencies, with the purpose of ensuring a seamless transition of young people with disabilities to postsecondary education. The PRVRA intervenes in the process of transition before eligible students with disabilities graduate from or exit the school system and facilitates the insertion in training programs and post-secondary educational institutions. The PRVRA sponsors to consumers such training in various accredited educational institutions for the purpose of acquiring knowledge and occupational skills necessary for the workplace.

In terms of serving individuals with barriers to employment, along with basic adult education, PRDE's CTE program is key to meet the workforce development needs of the correctional population. Please, refer to section III(a)(2)(B) for additional information regarding coordination with the Carl D. Perkins program.

III(a)(2)(F) Partner Engagement with Other Education and Training Providers. Describe how the State's Strategies will engage the State's other education and training providers, including providers on the state's eligible training provider list, as partners in the workforce development system to create a job-driven education and training system.

The flexibility afforded by WIOA will be used to engage and expand the amount and type of training providers. For instance, the implementation of the Registered Apprenticeship program could allow the involvement of unions, trade associations as well as established providers like IHEs and community colleges as training providers.

As required under WIOA, the State maintains a publicly accessible list of eligible training providers and their eligible training programs, including relevant performance and cost information. The State Board adopted procedures for initial determination of eligibility and subsequent certification of training providers.

In issuing a determination, local boards are required to:

- Analyze the impact of economic, geographic and demographic factors, and the characteristics of the populations served by applicants, including their difficulties to access or provide services, if any.
- Determine the occupations for which they are requesting training services, which shall be those in demand in the geographic region covered by the local board.
- Keep the process of initial eligibility determination open throughout the year.
- Establish eligibility criteria, requirements for additional information and minimum performance levels for providers of training beyond what is required by the State Board, which might be applicable to the specific local area.
- Safeguard the confidentiality of personally identifiable information of any education records, including the circumstances related to prior consent, and comply with the provisions of the *Family Educational Rights and Privacy Act (FERPA)*.
- Periodically invite public and private educational institutions and community-based organizations to submit applications for initial or subsequent eligibility determination as providers of training for occupations in demand.

- Regarding apprenticeship programs, promote de automatic inclusion of providers in the State List after a request is made by a registered provider under the provisions of the *Registered Apprenticeship Act* and enabling State provisions.
- Procedures for on-the-job training; customized training; incumbent worker training; transitional employment; or the circumstances described at WIOA sec. 134(c)(3)(G)(ii).

Exception made of Registered Apprenticeship, One-Stop Centers' operators are required to collect performance information and determine whether the providers meet the performance criteria. Providers that meet the criteria are considered eligible providers of training services.

Please refer to VI.I-B(b)(3) for provider eligibility procedures regarding Youth, Adult and Dislocated Workers program; section VI.II(b) for Adult Education and Family Literacy program; and section VI.VR(e) for Vocational Rehabilitation providers.

III(a)(2)(G) Leveraging Resources to Increase Educational Access. Describe how the State's strategies will enable the State to leverage other Federal, State, and local investments that have enhanced access to workforce development programs at the above institutions, described in section (E).

Maximizing available funding and the leveraging of non-traditional funding sources to support the improvement of the workforce system is a key goal of the State Unified Plan. PRDE's lead in developing career pathways will allow combining the efforts and resources available to both Title II and Carl D. Perkins programs to advance their implementation, thus expanding the flexibility of the postsecondary educational system.

Collaboration with the PRDOF will add to the workforce system, resources available through TANF vocational education services and the Chafee Education and Training Voucher program, representing additional opportunities to serve the workforce needs of low-income individuals and youth. Through continued coordination, State resources currently devoted to provide for bridge education, vocational education, subsidies and tax expenditures can also be leveraged to support the system. A case in point, the PRVRA intends to request funding from the State's Employment and Training Opportunities Development Fund, which accrues 1% of all taxable salaries paid by employers' beneficiaries under the Employment Security Act and the proceeds of interest paid on the Benefits for Non-Occupational Disabilities Law.

An enhanced coordination with the PREC will allow the harvesting of data being supplied by educational institutions under local and federal mandates to retrofit the educational and workforce systems. Additional opportunities could arise by devising ways in which the Council's State student financial assistance programs support the strategies of the system.

Local areas will be encouraged to leverage the resources of required partners to support the delivery of integrated services, through financial and non-financial agreements. Many of the arrangements for sharing other state resources must be worked out in detail at local level involving other agencies and the local One-Stop Centers' partners, through MOUs.

A key strategy in leveraging other Federal investments that have enhanced access to workforce development programs at educational institutions is to equip the State Board to manage the function of identifying and seeking additional or dormant competitive funding opportunities that can benefit any component of the workforce development system. DEI and REO, among others, represent additional opportunities. To that end, the State is committed to advance the designation of the local boards as 501(c)(3) tax-exempted non-for profits to leverage non-traditional sources of grant funding.

Regarding local governments, through guidance pertaining the local area and regional planning processes, there is also the opportunity to encourage Chief Elected Officials to sponsor municipal tax abatement measures and other benefits to reward businesses and employers sponsoring the implementation of career pathways.

Moreover, the MIP financial system was modified to require to local areas to quantify the contributions of the municipalities in local areas and One-Stop Centers. Local contributions are defined as any expense or non-federal contribution that is used for supporting the programs. It includes cash as well as in-kind contributions. The Financial Guidelines contains specific instructions to calculate and report on these contributions. As part of the planning process local areas are required to submit the following information:

- Forecast of local contributions to the One-Stop Center
- Projection on how much in cash would be contributed
- Information on cash and in-kind contributions
- In relation to in-kind contributions, description of how these are calculated and evidence to be used to document them

III(a)(2)(H) Improving Access to Postsecondary Credentials. Describe how the State's strategies will improve access to activities leading to recognized postsecondary credentials, including Registered Apprenticeship certificates. This includes credentials that are industry-recognized certificates, licenses or certifications, and that are portable and stackable.

As discussed, the offer of postsecondary education in Puerto Rico has grown significantly in the past decade, with mid-skilled level education being the segment with the largest expansion. Even within, institutions of higher education, the advance in mid-skilled careers, certificates and degrees has been noticeable. In 2010, IHE's graduated 24,949 students with bachelor's degree or higher, and 10,770 with attainments less than bachelors. In 2014, the number of IHE graduates with bachelor's degree or higher grew to 27,590, while the number of those that graduated with less than a bachelor's degree ballooned to 24,709.

Although the dynamics are varied, along with the growth in the number of institutions providing career and technical education (from 302 to 333 in the span of the last academic year), the increase in mid-skilled graduates evidences that access to a postsecondary degree and credentials has become somewhat more flexible in recent years and that there is a sizable infrastructure to support it. Please, refer to section II(a)(2)(A), for additional information on the education infrastructure and credentialing activities in the jurisdiction.

Under WIOA, alignment activities will be pursued to engage the providers of education and training to implement strategies that facilitate access to postsecondary credentials. As explained in section III(c)(1), above, the State will advance the implementation of career pathways to expand the accessibility industry recognized credentials. The strategy is key to provide participants with multiple entry points to accommodate academic readiness and multiple exit points to permit on ramp and off ramp when necessary, to lead to industry-recognized credentials, as recommended by the USDOL.

Please, refer to Section III(a)(2)(B), for information regarding the implementation of the Registered Apprenticeship program.

III(a)(2)(I) Coordinating with Economic Development Strategies. Describe how the activities identified in (A) will be coordinated with economic development entities, strategies, and activities in the State.

Government of Puerto Rico vision for the socioeconomic transformation is founded on a new Government model to drive fiscal and economic stability (Source: Plan Para Puerto Rico, Government Program and a Model for the Socioeconomic Transformation of our Island.)

Strategic Goals:

- To establish a new Government which facilitates and implements strategies that achieve sustainable economic growth and provides opportunities for job growth and personal advancement.
- To develop an educated, healthy, productive and vibrant society, observant of law, order and integrity.

- To establish effective, efficient, and responsible government policies and practices that remain sensitive to the needs of Puerto Rico’s most vulnerable residents.
- To incorporate practices and operations based on scientific-and performance-based models into Government; where evidence and results matter; and where resident participation, collaboration, and trust in government are the main focus of its validation.

Main Objectives:

1. Develop and **protect human capital**.
2. Correct structural issues, **bolster economic growth** efforts, and utilize areas of opportunity.
3. Improve **Puerto Rico’s competitiveness** through less regulation, energy reform and other various structural reforms.
4. Position Puerto Rico as a **global investment** destination.
5. Upgrade policies of **public private partnership** investment in energy, water, waste management, and other infrastructure projects.
6. Increase labor force flexibility and create **high quality jobs**.
7. Develop a **safe, educated, healthy and sustainable society**.
8. Achieve **equality** for all residents of Puerto Rico consistent with other U.S. states.
9. Eliminate **inequality** at the local level.
10. Use and maximize **science and technology** as a driver for transformation.

After the hurricanes the Government of Puerto Rico views the recovery effort as an opportunity to transform the Island by implementing solutions that are cost effective and forward looking, harness innovative thinking and best practices, and revitalize economic growth. Puerto Rico’s recovery plan sets out a path to help guide recovery investments toward this broader transformational vision by:

- defining what recovery means for Puerto Rico
- establishing principles for how the Government of Puerto Rico, nongovernmental, private, and nonprofit agencies should work together towards recovery
- describing the phases, the recovery will progress through
- identifying the most pressing recovery issues and the priority actions, as well as potential partners and resources to address each issue
- committing to measuring and reporting on the progress of the recovery.

RECOVERY INDICATORS

Puerto Rico's recovery and resilience thus needs to be tracked with a range of indicators, including population wellbeing; access to high-quality health, social, and economic services; education, job, and housing opportunities; and a healthy environment.

The Government of Puerto Rico is focusing on nine areas of physical, natural, and human **capital investments** of approximately \$118 billion (80 percent for upfront costs and 20 percent for operations and maintenance costs over an 11-year period from 2018–2028):

1. restore and strengthen
 - a. the four lifeline systems
 - i. energy
 - ii. communications
 - iii. water
 - iv. transportation)
 - b. housing
 - c. public buildings
 - d. health
 - e. education
 - f. natural environment.

Integrated Economic Development Plan

The Department of Economic Development and Commerce (DEDC) serves as the umbrella entity for key economic development agencies in Puerto Rico. Created in 1994, the DEDC is at the leading edge of Governor's policy of taking the most out of Puerto Rico's fiscal autonomy as a tool for promoting local and foreign investment. This vision allows for the creation of thousands of jobs in manufacturing, aerospace, telecommunications and information technology, engineering services, scientific research and others.

To achieve these strategic goals, the DEDC is working on initiatives that:

- Create new tax and economic incentives for high technology industries as well as start-ups and locally owned businesses.
- Improve Puerto Rico's regulatory and structural framework in order to enhance its competitiveness as a destination for investment and the production of high-value goods and services.
- Establish regional centers, or "poles," of economic activity throughout the island.
- Grow critical sectors, including manufacturing, tourism, commerce and exportation, film and visual arts, banking and insurance

The reorganization mandated by Act 171-2014, which transferred the Workforce Development Program from the PRDOLHR to the PRDEDC, will further the integration of workforce and economic development activities required under WIOA. Therein lie significant collaboration opportunities with PRDEDC's departmental units, including the Federal Contracting Center, the One-Stop entrepreneur support network managed by the Puerto Rico Commerce and Exports Company, the Office of Industrial Tax Incentives, the State's Youth Development Program, and the Regional Center for EB-5. Under the Department's lead, Labor Surplus Areas could be actively promoted to increase HUBZone's' to employers and business; affirmative employment by federal contractors can be more effectively enforced; and the mechanisms in place for convening industrial partnerships and organizing industrial clusters can be made available to the State Board for advancing sector strategies.

Socioeconomic Development – Vision

The socioeconomic development vision foundation rely in five postulates that will launch the economic transformation: increase productivity; stability and equal representation with the other states; fiscal responsibility and transparency; targeting science, technology and innovation as the key elements for economic transformation and the development and protection of the human resource

Main Components of Economic Development

We have to transform Puerto Rico's education to foster a maximum level of innovation & technology that enables us to be globally competitive and thus reach the desired level of local, national and foreign investment that allows the export of goods and services. Education: System Transformation and Skills Promotion. We believe that the education system is an essential component and is key for economic development, so we need to continually calibrate and align curricula and teaching methodologies to ensure that they address the needs of local and international industries, and that we help professionals in the work force to reinvent themselves, as they need.

Key Initiatives in Education

- 1 Puerto Rico Online Campus
- 2 Bilingualism: Key to Success
- 3 STREAM: Science, Technology, Reading, Engineering, Arts, and Mathematics
- 4 Re-focus of the University of Puerto Rico (UPR)
- 5 Internationalization of University education

Innovation: Solid Ecosystem for Entrepreneurship

In order to establish a healthy and sustainable ecosystem of innovation it is fundamental that the projects of entrepreneurship respond to the needs of the market. DDEC will provide Technical and Financial Assistance in areas like Market Needs; Applied Research; Incubators Startups; Accelerator Startups; Substitution of Imports of Goods and Services

Competitiveness: Structural Reforms

1. Structural Reforms: Labor Permits Tax Energy
2. Eliminate Requirement for Electronic Export Information (EEI) - Elimination of the federal requirement for export, achieving an equal treatment in order for transactions to and from the Island be more agile at a lower cost.
3. Culture of Transparency and Prevention of Corruption (FOIA) Public access to financial and operational information of the PR Government in a transparent manner to promote economic development.
4. Incentives Code
 - a. Consolidates and rationalizes all economic incentives in a single code.
 - b. Establishes a uniform process for granting incentives.
 - c. Focus the resources on the incentives with Return of Investment

Investment: Tools and Opportunities

- A. Federal Programs
 - a. New Market Tax Credits
 - b. EB-5 Program
 - c. Foreign Trade Zones
 - d. Insert PR in US treaties to avoid double taxation
- B. State Initiatives
 - a. Invest Puerto Rico
 - b. Destination Marketing Org. (DMO)

- c. Incentives Code
- d. Asset Map
- e. Infrastructure Plan
- C. Investment Opportunities
 - a. Public Private Partnerships
 - b. Science City
 - c. Roosevelt Roads Redevelopment
 - d. Port of Las Americas

Strategic Areas for Economic Development – framed in an approach change focused in Education, Innovation and Technology, Improve competitiveness and Capital Investment
 The next breakdown shows the programmatic commitments of economic development by strategic area:

1. Advanced Manufacture
 - a. National Network of Manufacturing Innovation
 - b. Manufacturing USA
 - c. Select USA
 - d. Permanency of Section 199 of the Federal Internal Revenue Code
2. Emerging Industries
 - a. Industrial Hemp
 - b. Medicinal Cannabis
 - c. Impulse to Puerto Rican Cinema
 - d. Sharing Economy
 - e. Creative Economy
 - f. Thermal Ocean Energy and Deep-Water Industries
3. Export of Goods and Services
 - a. Maximize Export Services
 - b. Federal Contracting Center
 - c. Hub Zones
4. Aerospace
 - a. Aeronautics and Aerospace Institute of PR
5. Technology
 - a. Innovation and Technology Economic Impulse
 - b. Center for Software Development & Info Technology
6. Visitors Economy
 - a. Cultural Entrepreneurship
 - b. Medical tourism
 - c. Ecotourism Development
 - d. Sports Tourism
 - e. Districts of Tourist Interest
 - f. Cruise Industry
7. Bio Economy
8. Recycling of Used Oils and Community Businesses
 - a. Development of Raw Materials

- b. Applied Research Center
- c. Bio-Fuel Energy
- d. Microalgae Energy Production

SMEs: Programmatic Commitments for Economic Development

1. Innovative SMEs
 - a. Designation of 10% of the Special Fund for Economic Development (FEDE) to provide contributory incentives to SMEs that foster innovation in economic sectors.
2. Maletín Empresarial de la Mujer
 - a. Program focused on supporting those Puerto Rican women who wish to develop in the business world mainly in the areas of technology and innovation.
3. Additional Initiatives
 - a. Master Entrepreneurship
 - b. Business Intelligence and Entrepreneurship System
 - c. Entrepreneurship in Functional Diversity population
 - d. From School to Business
 - e. SME Food Sector

STRUCTURAL REFORM

Public Private Partnerships (P³)– The Participative Public Private Partnerships Act (Act 1-2017). Strengthens the P3 legal framework to facilitate critical infrastructure investments and improve public services.

Labor Transformation and Flexibility (Act 4-2017) – The Labor Transformation and Flexibility Act. Amends labor laws with the intention of improving labor market competitiveness, improving the labor participation rate, and halting the migration of citizens to external labor markets.

Enterprise Puerto Rico Act. Act 13-2017 Creates a not-for-profit corporation to promote the economic development of Puerto Rico, attract foreign direct investment and incentivize investments in technology in collaboration with the private sector.

Destination Marketing Organization (DMO) - Promote Puerto Rico as a Destination (Act 17-2017). Enables the creation of a destination marketing organization (DMO).

Ease for Business - Act 18-2018 – Reforms, simplifies and expedites the permitting process in order to improve quality and efficiency in processing requests for all permits, licenses, inspections, complaints, certifications, consultations, or any other authorization that affects in any way the operation of a business in Puerto Rico, including those issued by municipalities.

Puerto Rico is Open for Business - Puerto Rico is Open for Business is a single business portal to help investors doing business in Puerto Rico just got easier. The Single Business Portal helps investors to navigate the ins and outs of getting project, offering information, documents, permits, and licenses – all in a streamlined and efficient tool.

Puerto Rico Site Selection Map - The Puerto Rico Site Selection Map, a new tool launched by the Department of Economic Development and Commerce (DDEC, Spanish acronym), contains information that business people usually need when deciding where to establish a shopping center or a manufacturing plant.

III(b) State Operating Systems and Policies. The Unified State Plan must include a description of the State operating systems and policies that will support the implementation of the State strategy described in section II Strategic Elements. This includes—

III(b)(1) The State operating systems that will support the implementation of the State’s strategies. This must include a description of—

III(b)(1)(A) State operating systems that support coordinated implementation of State strategies (e.g., labor market information systems, data systems, communication systems, case-management systems, job banks, etc.)

Workforce and labor market information systems

The workforce and labor market information system (WLMI) established under section 49I-2 of the Wagner Peyser Act is administered by the PRDOLHR. The Department also maintains a Bureau of Labor Statistics and a Research Division on Occupational Skills and administers the Occupational Employment and Wages Survey, the Nonfarm Employment Survey, and special surveys, studies and research. The products are readily available at <http://www.mercadolaboral.pr.gov/>.

Puerto Rico complies with the Workforce Information Database (WIDb) requirements and will have completed transitioning to version 2.6 by June 2016, ensuring comparability with State jurisdictions regarding employment projections; wages; information on occupational licenses, as well as data from national sources on educational programs; the locations of educational and training institutions; and contact information for all U.S. employers.

The PRDOLHR maintains a WLMI fully accessible for a range of customer groups, including job seekers, employers and policymakers. State and local industry and occupational employment projections are maintained for long-term (10 years) and short-term (2 years), as well as for statewide and sub-state levels. The State uses the Local Employment and Wages Information System (LEWIS), to derive staffing patterns for sub-state projections.

As required by USDOL, the PRDOLHR also produces a statewide annual economic analysis report, an essential tool for strategic planning for WIOA and other workforce programs. The report provides information and analyses that can support workforce planning and the process of making policy decisions for workforce development, education, economic

development and business engagement around sector strategies and career pathways initiatives. The report's analysis for 2015 has been integrated in the Unified Plan and will be further used in the formulation of regional and local area plans under WIOA.

Puerto Rico also used a portion of its 2015 JD NEG funding to plan for a Strategic Workforce Information Management System consisting of a comprehensive Labor Market Information (LMI) database, a new integrated matchmaking platform for job opportunities, and a platform to offer online bilingual coaching and training for residents and stateside individuals interested in relocating to the Government.

The plan proposes to initiate coordination with federal data producers to make sure Puerto Rico is included in reports, series, surveys and statistical products that are available for other state jurisdictions and are accessible through the USDOL websites. Among other, these include the following products:

- Current Population Survey. Monthly survey of households conducted by the Bureau of Census for the BLS. It provides a comprehensive body of data on the labor force, employment, unemployment, persons not in the labor force, hours of work, earnings, and other demographic and labor force characteristics.
- Longitudinal Employer-Household Dynamics (LEHD). LEHD links employee and employer records from an array of data sources (administrative records, demographic surveys and censuses). LEHD's principal product is its Quarterly Workforce Indicators (QWI), which include employment, job creation, monthly earnings, and worker turnover data by locale as well as by detailed industry, gender, and age of workers. Although all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands have joined the LED Partnership, the LEHD program is not yet producing public-use statistics for Puerto Rico.
- Job Openings and Labor Turnover Survey (JOLTS). JOLTS collects data on total employment, job openings, hires, quits, layoffs & discharges, and other separations. BLS issues the data monthly.
- Business Dynamics Statistics (BDS). Provides annual measures of business dynamics (such as job creation and destruction, establishment births and deaths, and firm startups and shutdowns) for the economy and aggregated by establishment and firm characteristics.
- Multiple Jobholders. BLS defines multiple jobholders as wage or salary workers who hold 2 or more jobs, self-employed workers who also hold a wage or salary job, or unpaid family workers who also hold a wage or salary job. Individual state data on multiple jobholders from 1994 to the present is available upon request.

- County Employment and Wages (QCEW). BLS produces this series from the Quarterly Census of Employment and Wages (QCEW) program. Wages represent total compensation paid during the calendar quarter, regardless of when during that quarter the individual worked. Publicly available for San Juan MSA.
- Minimum Wage Workers. Statistics on hourly-paid workers with earnings at or below the prevailing Federal minimum wage.
- National Compensation Survey-Wages. The BLS National Compensation Survey of Wages (NCS-W) covers over 800 occupations (although data are not provided for individual occupations) and publishes wage data annually for about 80 metropolitan areas. The tables include average earnings and weekly hours for such variables as private sector vs. government employees; occupation; full- vs. part-time; union vs. non-union; goods- vs. service-producing industry; number of employees per establishment; wages at various percentiles; and other variables.
- USDOE's State Assessment of Adult Literacy and State and County Estimates of Low Literacy. The SAAL is conducted in conjunction with the National Assessment of Adult Literacy (NAAL).
- Annual Survey of Manufactures. Census Bureau's detailed survey by manufacturing sub-industry category. Employment data cover the number of employees; annual payroll; and the number of production workers, their wages and their working hours.
- Annual Survey of Government Employees. The Census Bureau conducts a sample Annual Survey of Government Employees, which collects data on full and part-time employment, pay, and working hours. The Bureau collects local data but only reports it at the state level. Data are also reported by functional area (e.g., elementary and secondary education; higher education; police or fire protection; financial administration; judicial and legal; etc.).
- Non-employer Statistics. The Census Bureau annually issues Non-Employer Statistics, which cover businesses without paid employees. Most non-employers are self-employed individuals operating very small-unincorporated businesses, which may not be the owner's principal source of income. These firms are excluded from most other business statistics (except the Survey of Business Owners).
- Personal Income, Compensation and Employment. The Bureau of Economic Analysis reports on 1) full-and part-time employment by major industry, and 2) wage and salary employment by industry. At both the state and local levels, income data include breakdowns of personal income plus earnings, wage and salary disbursements, and compensation by major industry.

- Statewide Longitudinal Data System (SLDS) - The Department of Education uses the Statewide Longitudinal Data System (SLDS) for K-12 levels throughout the jurisdiction with a clear component of the WLMI system that provides increased visibility of data in the systems of primary and secondary education. The objective of the SLDS is to contribute to improve the education policy and the operational decisions with data related to the student's achievements over time. It also aims to establish the mechanisms of organization, policies, procedures, systems and human resources necessary to perpetuate their use by those interested in education at all levels. An immediate result was to help improve the ability to identify young people outside the school who need services from the workforce system.

The system integrates data from the Student Information System of the DE (SIE, for its acronym in Spanish), which collects information on all students enrolled in the public education system, the Financial Information System (SIFDE, for its acronym in Spanish), data from the Special Education Program, data on students who are Spanish learners, among other data.

The Adult Education Program is integrated into the Data Management Committee, which coordinates the integration of the data collected in the Adult Information System (AIS) in the access portal of the longitudinal system, which has facilitated access to the data of the program and to improve the capacities for the presentation and analysis of the data necessary to support the decisional process.

The Education Council collects, analyzes and disseminates detailed data on K-12 educational institutions, vocational and technical institutions, and IHEs. Data available at: <http://cepr.cespr.org/ceprd/index.asp>.

Data, communication and case management systems

SIAC. The SIAC is the case management system for the One-Stop Centers network. It is a web-based data collecting, reporting and case management system using the ETA's WIASRD protocols, Trade Adjustment Performance Report and Employment Service data structures. The Government of Puerto Rico prioritized system improvements along the following capabilities identified by the US GAO: performing edit checks to prevent data errors; identifying dates TAA participants completed WIA/WIOA and ES-funded services; and allowing staff to query the system to assess data reliability and completeness.

PARTICIPANT INDIVIDUAL RECORD LAYOUT (PIRL)

The Department of Economic Development and the Department of Labor of Puerto Rico, grantees of UI, Wagner - Peyser Employment Services (ES), and WIOA programs, were allocated a grant of RSI-DWGs fund to integrate our UI, Wagner - Peyser Employment Services (ES), and WIOA workforce information technology (IT) systems. We will implement technology solutions to develop a common registration and case management

across the DW program, the ES program, and the UI program, as stated in the Training and Employment Letter 5-16.

The DEDC will seek proposals from qualified individuals and/or legal entities interested in developing and installing a software solution for WIOA workflows, in compliance with the **Training and Employment Guidance Letter (TEGL) 42-15**, and the new WIOA database “**Participant Individual Record Layout (PIRL)**”; re-developing our educational provider management application (SELEP); and develop a Rapid Response software solution. These database solutions will be integrated in one application, with interface among them and with another external database software. All services performed by a selected Respondent must comply with applicable federal requirements and with all GOVERNMENT OF PUERTO RICO laws and regulations.

Since September 20, 2017, the main effort of the Government of Puerto Rico, are the PR reconstruction process. Hurricane Irma and María delayed all the projects and initiatives on target in that moment, including the development of the IT software. However, we are expecting that for the second quarter of PY 2018-19, the PIRL, SELEP and Rapid Response IT software be in function.

MIP. The Accounting Information System (MIP) is used by the WDP to keep accounting data on WIOA federal funds allocated to local areas, as well as disbursements to participants and providers, and administrative and operational concepts of expenditure. All local areas 15 must provide the data required by the system, regardless the use of internal financial information systems.

Claimants’ Services Web Portal. The system allows filing an unemployment insurance claim online. Users can file an initial claim for unemployment benefits if they have worked in Puerto Rico for at least two quarters within the last 18 months and became unemployed due to reasons beyond their control. Any application submitted after 5pm, from Monday to Friday, will be processed the next working day. Time to complete the application should not exceed 30 minutes. Also, claims are accepted by phone at (787) 945-7900, a service available during regular working hours.

AIS. The Puerto Rico Adult Education data collection reporting system uses the Adult Information System (AIS) designed to help providers collecting, analyzing and using data to identify and implement strategies to achieve expected levels of performance. Current efforts are focused on the Adult Information System, which will strengthen compliance with NRS requirements. The Adult Information System is an application that manages the processing of information in the different functional areas; it complies with the regulations and requirements of the Adult Educational System and manages the required Federal reporting for the NRS System. The application allows for the simultaneous creation and administration of locations independent of each other. It is web-based with an integrated security protocol and conveniently designed in modules.

The application has the capability of generating transactions following a procedural flow with requirements and authorizations for admissions, assigning staff, programming of courseware, registration, creation of file documents, and academic matters. It also processes the electronic filing of documents by capturing a variety of documentation already in the system; minimizing in this way the filing of forms and conversion of documents to digital form within different functional areas. Users can generate follow-up files in a digitally centralized way for each functional area; reports are selected depending upon level of security access and the users' functional roles.

CRIS. The PRVRA maintains the Consumer Rehabilitation Information System. It keeps data on services provided to applicants and consumers, and the data required for federal and state reporting. CRIS is not currently integrated with the PRDOLHR or the One-Stop systems. The case management case management capabilities of the system have been updated to collect data on Pre-Employment Transition Services delivered students with disabilities.

Job Banks

PR.JOBS is the PRDOLHR's official Job Bank. This resource, available to employers and job seekers in general, is provided free of cost by Direct Employers as part of an agreement to NASWA to provide such valuable tool to State Workforce Agencies. NASWA has a partnership with Direct Employers until 2017. Direct Employers Job Central is a web clearinghouse operated by Direct Employers where employers can post available jobs and recruit eligible job candidates; job seekers may also search for job openings and apply for employment.

Job Central uses the O*NET Autocoder to assign occupational codes. The Direct Employers uses a version that has been upgraded extensively since the original and will not recode jobs uploaded from a state workforce agency site unless they have a valid SOC/O*NET code assigned.

First launched in October 2012, more than 300 new employers have been registered and, along with members of Direct Employers, post daily over 900 job offers in specialized and highly technical jobs, hospitality industry, health, education and many others. Every month approximately 2,000 new job seekers register by creating a new account.

Upon registration in PR.JOBS a job seeker will have access to a vast network of employers and can publish their resume online and get access to skills transferability tools like MyNextMove and MySkillsMyFuture. A registered employer will find a network of jobseekers in search of employment and can search their resumes online matching their job opportunity and allowing them to extend an invitation for an interview totally transparent to the job seeker.

As part of the enhancements to these systems, plans are to integrate PR.JOBS into the SIAC system to push PR.JOBS content into SIAC and vice versa to reach a maximum number of job seekers. Once the integration is completed, SIAC will be able to download all job offers posted in PR.JOBS into SIAC and to upload those job offers published directly in SIAC by Wagner-Peyser staff on a daily basis.

Labor Exchange System. PR.JOBS currently gathers unduplicated job opportunities from verified employers. However, Wagner-Peyser's Labor Exchange System (within SIAC) does not benefit from PR.JOBS and its more than 900 job opportunities published daily.

As mentioned above, we plan to push the content of PR.JOBS into the Labor Exchange System (SIAC) and vice versa, to reach a higher number of job seekers. Once completed, we plan to leverage PR.JOBS exclusive job openings on over 900 highly technical occupations on the pharmaceutical, hospitality, health, education and other industries in Puerto Rico. This will enhance the matching of job seekers with employer's job opportunities.

Improvements to the job matching platform will have to integrate PR.JOBS and SIAC so all offers in PR.JOBS become available to be matched by SIAC.

III(b)(1)(B) Data-collection and reporting processes used for all programs and activities, including those present in One-Stop Centers.

PARTICIPANT INDIVIDUAL RECORD LAYOUT (PIRL)

The Department of Economic Development and the Department of Labor of Puerto Rico, grantees of UI, Wagner - Peyser Employment Services (ES), and WIOA programs, were allocated a grant of RSI-DWGs fund to integrate our UI, Wagner - Peyser Employment Services (ES), and WIOA workforce information technology (IT) systems. We will implement technology solutions to develop a common registration and case management across the DW program, the ES program, and the UI program, as stated in the Training and Employment Letter 5-16.

The Trade Act Participant Report (TAPR). Puerto Rico is required to maintain standardized individual records containing characteristics, activities and outcomes information for all individuals who receive services or benefits financially assisted by the Trade Adjustment Assistance program. These individual records are collectively known as the Trade Act Participant Report (TAPR).

The primary purposes of the TAPR are to:

- Establish a standardized set of data elements, definitions, and specifications that can be used to describe the characteristics, activities, and outcomes of individuals served

by the TAA program.

- Facilitate the collection and reporting of valid, consistent, and complete information on an individual in order to support the overall management, evaluation, and continuous improvement of the program at the local, state, and federal levels.
- Share program performance results with consumers, taxpayers, Congress and other relevant stakeholders with an interest in the TAA program.

The TAPR establishes a core set of data that must be collected and maintained by the Government. These records are comprised of client information that is matched to outcome information obtained from Unemployment Insurance (UI) and other administrative wage records, or from other supplemental data sources as appropriate. A TAPR file should be opened on an individual when the participant begins receiving a service or benefit financially assisted by the TAA program following a determination of eligibility to participate in the program. Receipt of a waiver from the training requirement, TRA payments, and other allowances are considered TAA program benefits, and states are required to submit a TAPR file on all such individuals who receive these benefits. At that time, the participant characteristics should be entered, and the pre-program wage record data obtained.

As the individual receives additional benefits and services while participating in the TAA program, those should be entered, where appropriate, in the participant's record. Finally, once the participant is determined to have exited, the outcomes data and post-program wage records should be obtained and entered. Once all post-program wage data become available, the record should be ready for submission to the Department.

AIS. The Adult Information System complies with the regulations and requirements of the Adult Educational System and manages the required Federal reporting for the NRS System.

Vocational Rehabilitation Services. The PRVRA system collects data for the RSA-911 and other federal and local reports. Whereas WIOA sets new performance indicators for the program, CRIS will be undergoing adjustments in programming, so data can be recorded as needed to measure compliance. Currently, the CRIS is not integrated into the system of other core programs or the One-Stop Centers network.

III(b)(2) The State policies that will support the implementation of the State's strategies (e.g., co-enrollment policies and universal intake processes where appropriate)

The State Board will review its policies and will issue guidance to comply with the requirements and regulations under WIOA. Guidance has been issued in regard to the designation process for local areas under WIOA (see sections III(b)(3)(A) and VI.I-B(a)(1)(B)), as well as for local board certification and provider selection processes, among

other. The State Board advances the process of drafting guidance for the selection of One-Stop Centers' operators in compliance with section 121(d) of WIOA.

The *Planning Guidelines* is the official document that sets the public policy and requirements for the allocation of local area funding for the Youth, Adult and Dislocated Workers programs (see section VI.I-B(a)(2)(A)). Meanwhile, Financial Guidelines ensure compliance with fund management throughout the system.

In pursuing the State's strategies, the State Board might issue or review, as permissible, guidance regarding:

1. Planning processes at the regional and local levels, including support for career pathways and sector strategies at these levels. See section III(a)(1), Table III-1, 101(d)(1), 101(d)(3)(B); and III(a)(2)(A), Table III-2, 6.2.
2. Revision of monitoring guidance. See sections II(c)(2), strategy 15.1; and III(a)(2)(A), Table III-2, 15.1.
3. Compliance with section 675.255 of the proposed rule including Governor's additional indicators of performance to local areas in the State and performance reports guidance to be issued by USDOL and USDOE. See section III(a)(1), Table III-1, 101(d)(3)(F).
4. Standing committees focused on serving youth, low skilled adults, individuals with disabilities and other relevant priorities to be maintained by each local area as part of the local board designation and certification processes. See section III(a)(2)(A), Table III-2, 9.3.
5. Participation of the VR services program in coordinating bodies and sector strategies to expand opportunities for people with disabilities. See section III(a)(2)(A), Table III-2, 4.3.
6. Language and requirements supporting sector strategies. See sections II(c)(1), strategy 4.2; and III(a)(2)(A), Table III-2, 4.2.
7. Local government sponsorship for sector strategies and career pathways. See sections III(a)(2)(A), Table III-2, 4.4; and III(a)(2)(C).
8. Engagement of industry-based cluster organizations, local government economic development consortia, industry associations and individual companies through local and regional planning. See section III(a)(2)(A), Table III-2, 5.2 and 5.3.

9. Adoption of methodologies advanced under TEN 17-15, Att. (11) and ETA's Sector Strategies Implementation Framework in planning processes. See section III(a)(2)(A), Table III-2, 6.3.
10. Implementation of Title II's career pathways through local plans. See section III(a)(2)(A), Table III-2, 4.6.
11. Outcomes for regional sector strategies and career pathways. See section III(a)(2)(A), Table III-2, 4.7.
12. Designation of local boards as 501(c)(3) tax-exempted non-for profits. See section III(a)(2)(A), Table III-2, 8.3.
13. Funds leveraging by local boards, CEOs, and operators from other program sources (CSBG, CDBG, Ticket to Work and SBA, among other). See section III(a)(2)(B).
14. Criteria to direct statewide set-aside funding to support job-driven strategies. See section III(a)(2)(A), Table III-2, 8.1.
15. Enforcement of out-of-school youth (OSY) spending. See section III(a)(2)(A), Table III-2, 2.1.
16. Local area allowance to use up to 10 percent of its adult and dislocated worker funds to provide transitional jobs to individuals, as directed under TEGL 3-15. See section III(a)(2)(C).
17. Local area allowance of up to 20 percent of its adult and dislocated worker funds to provide for the federal share of the cost of providing incumbent worker training. See section III(a)(2)(C).
18. Flexibility afforded to local areas under WIOA to increase the reimbursement level on OJT to up to 75 percent.
19. Procedures along the lines of those recommended by the USDOL's ODEP to ensure the physical and programmatic accessibility of the One-Stop Centers network. See sections II(c)(2), strategy 10.5; III(a)(2)(A), Table III-2, 10.5; and III(b)(8).
20. Execution of an agreement infrastructure (MOUs) to clarify the roles and responsibilities of the various partners; establish a common "front-door" approach; integrate registration across programs; provide basic information about other programs at partner offices; adopt referral mechanisms; adopt uniform basic assessment processes across programs; use systematic triage process to assess participants' needs and appropriateness for services; and implement a common

sequential flow through service units. See sections III(a)(2)(A), Table III-2, 10.2, 14.1; and III(a)(2)(C).

21. Roadmap for the interoperability of information systems, case management applications, back-end data exchange, and changes in current program operations, including intake, co-enrollment, triage processing and performance reporting. See sections II(c)(2), strategy 13.1; and III(a)(1), Table III-2, 13.2.
22. Common workforce system identity, branding and messaging, use of Internet portals and social media. See sections II(c)(2), strategies 10.3 and 10.4.
23. Implementation of an online knowledge database to exchange and disseminate cross-program expertise, interpretation, guidance and best practices throughout the system and across programs. See sections II(c)(2), strategy 12.4; and III(a)(1), Table III-1, 101(d)(5).
24. Operator support for cross training, data validation and collection, and reporting. See section III(a)(2)(A), Table III-2, 12.2 and 12.3.
25. Core program contributions to sustain the system and to assist Local Boards, chief elected officials, and One-Stop partners in local areas in determining equitable and stable methods of funding the costs of infrastructure at One-Stop Centers. See section III(a)(1), Table III-1, 101(d)(6).
26. Approach to facilities design. See section III(a)(2)(A), Table III-2, 11.1.
27. Implementation and outcomes of any authorized waiver. See section VI.I-B(e)(4)(E).

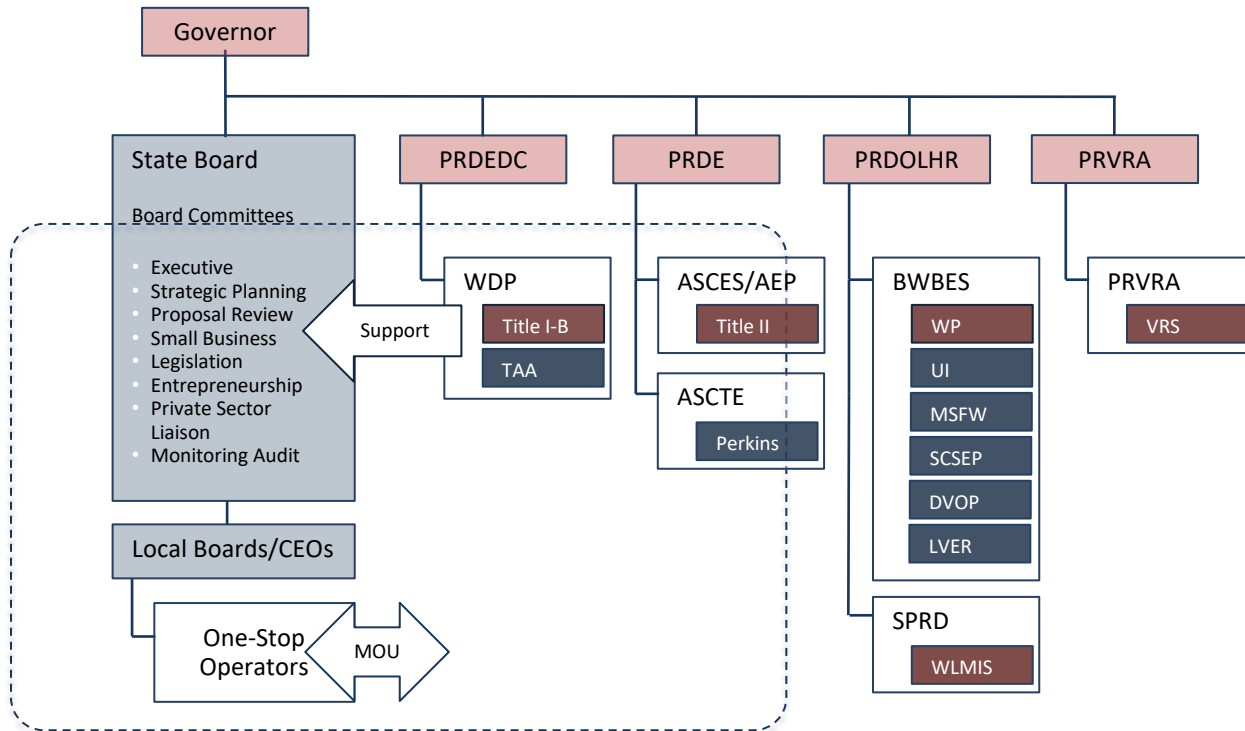
In addition, describe the State's process for developing guidelines for State-administered one-stop partner programs' contributions to a one-stop delivery system, including benchmarks, and its guidance to assist local boards, chief elected officials, and local one-stop partners in determining equitable and stable methods of funding infrastructure in accordance with sec. 121(h)(1)(B). Beginning with the state plan modification in 2018 and for subsequent state plans and state plan modifications, the State must also include such guidelines.

The process will be compliant with section 121(h)(1)(B) of WIOA.

III(b)(3) State Program and State Board Overview.

III(b)(3)(A) State Agency Organization. Describe the organization and delivery systems at the State and local levels for the programs covered in the plan, including the organizational structure. Include an organizational chart.

Figure III-1. Organizational chart of workforce system with core programs



State Board

WIOA section 101 requires the establishment of a State Board in order to assist the Governor in the development, implementation and modification of the State Plan as well as the workforce system's public policy on statewide programs. The State Board under WIOA regulation, include representatives of business and labor organizations in the state.

State Program

The WDP created by Act 171-2014 succeeded the Labor Development Administration (LDA) and is responsible for the coordination, supervision and administration of federal funds under Title I and the Trade Adjustment Assistance program. It also provides operational support to the State Board.

The program comprises functional units for Monitoring, Planning, Finance, Statistics, Human Resources and Legal Office.

Local Areas

The local areas were made up of 12 consortia of municipalities and three independent municipalities. The local areas include the Local Mayors Boards, Local Boards and Local One-Stop Operator. Each of the local areas, through the One-Stop comprehensive centers and affiliated sites provide employment and training services under the Adult, Dislocated Workers and Youth and the Employment Service programs. A designation process for local areas under WIOA progresses in accordance with guidance issued in 2015.

Pursuant to WIOA requirements, criteria were issued to govern for the nomination and appointment of members to the Local Boards.

III(b)(3)(B) State Board. Provide a description of the State Board, including-

III(b)(3)(B)(i) Membership Roster. Provide a membership roster for the State Board, including members' organizational affiliations.

The administration of Governor Ricardo Rosselló Nevaes, began in January 2017. The former State Board, continued his duties until June 30, 2017, giving space to the new Governor to nominate new members to the State Board. The impact of hurricanes Irma and Maria, changed all the priorities and plans laid out by the Government of Puerto Rico, including the designation of the State Board. Beyond September 20, 2017, Puerto Rico has been in a reconstruction process trying to rise from the ravages of both hurricanes. The industries and businesses suffered significant damage to its infrastructure, with closure of many businesses, delay in operations in other, losses of billions of dollars, including the reduction of employees.

Facing this scenario, the DEDC has been working hard for complete the composition of a new State Board. Multiple contacts have been made with industrial associations, business, labor unions, people committed to the economic development, trying to find nominate to complete the State Board. However, the reconstruction process has focused industries and business in return to their normal operation before the hurricane. For this reason, the DEDC have facing delay to target business and industry representatives to be part of the Board. Be expected to before the end of the first quarter of the AP 2018-19, PR will have a WIOA State Board.

III(b)(3)(B)(ii) Board Activities. Provide a description of the activities that will assist State Board members and staff in carrying out State Board functions effectively.

Please, refer to section III(a)(1), above.

III(b)(4) Assessment of Programs and One-Stop Program Partners

As required under section 677.160 of the proposed rule, the programs will be assessed

on the basis of their negotiated levels of performance. Section 116(d)(2) of WIOA requires the State submit a performance report that will contain information on the actual performance levels achieved consistent with the proposed rule 677.175. The State will comply with these requirements and the implementing guidance to be jointly issued by the USDOL and the USDOE, which may include information on reportable individuals as determined by the Secretaries.

III(b)(4)(A) Assessment of Core Programs. Describe how the core programs will be assessed each year based on State performance accountability measures described in section 116(b) of WIOA. This State assessment must include the quality, effectiveness, and improvement of programs broken down by local area or provider. Such state assessments should take into account local and regional planning goals.

Please, refer to section II(b)(4), above.

Title I

The State will continue to assess the program based on the results of fiscal and programmatic monitoring, and customer satisfaction surveys, and the analysis performance and accountability measures.

Adult Education

Section 212 of WIOA requires a description of how the eligible agency will evaluate annually the effectiveness of the adult education and literacy activities based on the performance measures described in section 116. The evaluation will address the extent to which local providers have implemented each of the thirteen required activities specified in Section 231 and will focus in two key features: a formative evaluation is conducted to assure quality of program management by tracking the effectiveness of program development and implementation; followed by a summative evaluation that documents the educational impact on learners, and determines the extent to which populations specified in the State Plan are served.

The project staff, together with the evaluator, design and formalize the evaluation plan. The evaluation tasks are divided into the following tasks:

- Documenting the project's implementation process
- Periodically aligning program elements with program goals
- Monitoring outcomes and impact
- Following-up on studies of former participants

- Measuring the effectiveness of teacher training
- Assessing the extent to which adult education goals and objectives of individuals with barriers to employment and ensuring their access, and other special populations have been met

The evaluation plan will yield both quantitative and qualitative data, needed to assess the efficiency and effectiveness of the program's functions and services. The program evaluator will utilize a combination of strategies, which include but are not limited to Pre and post inquiries; Surveys; Interviews; Standardized tests; Placement tests; Attendance records; Observations; and Questionnaires.

The product of the evaluation will include:

- Applicable information about the effectiveness of the Section 231 grant program
- Characteristics of the adult learners
- Improvements in literacy levels and educational gains of learners
- Analysis of learner goal attainment
- Outcomes of performance standards
- Services provided

The outcome reports will include the new requirements of the National Reporting System (NRS).

Pursuant to Section 116 of the Adult Education and Literacy Act, each local provider must report student progress measures obtained from all students who have attended at least twelve (12) hours of instruction in programs receiving Section 231 federal supplemental funds. The evaluation activities will require local providers to:

- Collect and analyze student performance and program improvement data
- Determine performance levels on standard and core indicators
- Identify needs and support services and
- Implement continuous improvement initiatives to meet performance levels for standards and core indicators

Documented progress of student performance measures must include at a minimum:

- Literacy skill level improvements in reading, writing, and speaking the English Language, English language acquisition, problem solving, numeric, and other literacy skills
- Placement in, retention in, or completion of post-secondary education, training, or unsubsidized employment or career advancement
- A secondary school diploma or its equivalent
- Attainment of student learning goals

All participating local providers will be required to maintain individual student records for all students who have attended 12 hours of instruction. Each record must contain:

- Student identification and Intake information
- Demographic data
- Attendance data
- Assessment data
- Attainment data
- Other relevant information as specified by the data management system

Monitoring of providers

The Puerto Rico Department of Education Adult Education Services continues to promote its comprehensive accountability system to determine program effectiveness and measure the progress of local providers towards continuous improvement. The agency reviews program delivery strategies, processes, and evaluation data in order to support and improve the literacy services provided and to optimize the return of the investment of federal funds in adult education literacy activities.

Monitoring processes include risk monitoring to determine that the allocated funds are used efficiently; monitor files to validate that local programs meet the eligibility criteria of the participants; and programmatic and fiscal monitoring. Said monitoring activities will be carried out each school year, in order to demonstrate compliance with the applicable program regulations. The monitoring effort will continue throughout the Plan and will include:

- Mid-year Reports. The Puerto Rico Adult Education Program requires all local providers to submit quarterly reports that reflect participation levels for the first three months.
- Annual Program Evaluation. The Program conducts continuous comprehensive program evaluation. This evaluation includes all participating local providers and uses surveys of all local providers, on-site observations and interviews. It provides recommendations for state level planning and development activities for the following year. It will also identify the best practices and emerging needs in conjunction with the training and technical assistance needed for local providers to establish high quality, effective instructional programs to the targeted populations specified in the State Plan.
- Student Follow-up. The Adult Information System's report submitted to the USDOE will reflect the grantee's progress in achieving the objectives in the application of the program and the effect of the program on participants served.

Vocational Rehabilitation

The agency will assess its performance accountability measures, described in section 116(b) of WIOA, through:

- Reports on WIOA indicators based on data gathered through the case management system
- Satisfaction surveys to customers, employers and Community Rehabilitation Programs
- Compliance with strategies established in the VR Portion of the Plan
- Internal programmatic monitoring

In order to collect data for the WIOA performance indicators, PRVRA staff will follow-up on customers and also request data on employment and wages records from other agencies.

III(b)(4)(B) Assessment of One-Stop Program Partner Programs. Describe how other one-stop delivery system partner program services included in the plan will be assessed each year. Such state assessments should take into account local and regional planning goals.

All programs must be evaluated in terms of their compliance with basic threshold requirements, including programmatic and physical accessibility. One-Stop certification guidance will be reviewed to include relevant measures for assessing partner performance. Additionally, as required under WIOA, guidance issued by USDOL, USDOE

and other program grantors, and the goals and accountability measures included in regional and local plans.

III(b)(4)(C) Previous Assessment Results. Beginning with the state plan modification in 2018 and for subsequent state plans and state plan modifications, provide the results of an assessment of the effectiveness of the core programs and other one-stop partner programs included in the Unified State plan during the preceding 2-year period (i.e. the 2-year period of the plan modification cycle). Describe how the State is adapting its strategies based on these assessments.

Not applicable.

III(b)(4)(D) Evaluations and research projects on activities under WIOA core programs. Describe how the state will conduct evaluations and research projects on activities under WIOA core programs; how such projects will be coordinated with, and designed in conjunction with, State and local boards and with State agencies responsible for the administration of all respective core programs; and, further, how the projects will be coordinated with the evaluations provided for by the Secretary of Labor and the Secretary of Education under WIOA.

The State Board will rely on convening resources from local boards, core programs and partner programs to provide input to the State Board on integration and coordination issues, and to carry out research and evaluations across the system as allowed WIOA, participate in any federally-sponsored research initiative.

III(b)(5) Distribution of Funds for Core Programs. Describe the methods and factors the State will use in distributing funds under the core programs in accordance with the provisions authorizing such distributions.

Please, see below.

III(b)(5)(A) For Title I programs, provide a description of the written policies that establish the State's methods and factors used to distribute funds to local areas for—

The Governor allocates WIOA formula funds allotted for services to youth, adults and dislocated workers in accordance with WIOA sections 128 and 133. Within-State allocations are made in accordance with the allocation formulas contained in WIOA sections 128(b) and 133(b).

Of WIOA formula funds allotted for services to youth, adults and dislocated workers, the Governor's Reserve funds from each of these sources for statewide workforce investment activities. In making these reservations, the Governor reserves up to 15 percent from each of these sources. Funds reserved under this paragraph are combined and spent on statewide employment and training activities, for adults and dislocated workers, and

statewide youth activities, without regard to the funding source of the reserved funds. The Governor reserves a portion of the dislocated worker funds for statewide rapid response activities, as described in WIOA. In making this reservation, the Governor reserves up to 25 percent of the dislocated worker funds.

III(b)(5)(A)(i) Youth activities in accordance with WIOA section 128(b)(2) or (b)(3)

Youth allocation formula.

The Governor elects to distribute funds in accordance with the allocation formula in section 128(b), as follows:

- 33 $\frac{1}{3}$ percent on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each workforce investment area, compared to the total number of unemployed individuals in all areas of substantial unemployment in the State;
- 33 $\frac{1}{3}$ percent on the basis of the relative excess number of unemployed individuals in each workforce investment area, compared to the total excess number of unemployed individuals in the State; and
- 33 $\frac{1}{3}$ percent on the basis of the relative number of disadvantaged youths in each workforce investment area, compared to the total number of disadvantaged youths in the State. (WIOA sec. 128(b)).

III(b)(5)(A)(ii) Adult and training activities in accordance with WIOA section 133(b)(2) or (b)(3)

The Governor elects to distribute funds in accordance with the allocation formula in 133(b), as follows:

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

III(b)(5)(A)(iii) Dislocated worker employment and training activities in accordance with WIOA section 133(b)(2) and based on data and weights assigned

The Governor elects to distribute funds in accordance with the allocation formula considering the following:

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

III(b)(5)(B) For Title II

III(b)(5)(B)(i) Describe how the eligible agency will award multi-year grants or contracts on a competitive basis to eligible providers in the State, including how eligible agencies will establish that eligible providers are organizations of demonstrated effectiveness.

Please, refer to section VI.II(a)(1)(A), below.

III(b)(5)(B)(ii) Describe how the eligible agency will ensure direct and equitable access to all eligible providers to apply and compete for funds and how the eligible agency will ensure that it is using the same grant or contract announcement and application procedure for all eligible providers.

Please, refer to section VI.II(a)(1)(A), below.

III(b)(5)(C) Title IV Vocational Rehabilitation. In the case of a State that, under section 101(a)(2)(A)(i) of the Rehabilitation Act designates a State agency to administer the part of the Vocational Rehabilitation (VR) services portion of the Unified State Plan under which VR services are provided for individuals who are blind, describe the process and the factors used by the State to determine the distribution of funds among the two VR agencies in the State.

Not applicable.

III(b)(6) Program Data

III(b)(6)(A) Data Alignment and Integration. Describe the plans of the lead State agencies with responsibility for the administration of the core programs, along with the State Board, to align and integrate available workforce and education data systems for the core programs, unemployment insurance programs, and education through postsecondary education. The description of the State’s plan for integrating data systems should include the State’s goals for achieving integration and any progress to date.

Planning Note: States should be aware that Section 116(i)(1) requires the core programs, local boards, and chief elected officials to establish and operate a fiscal and management accountability information system based on guidelines established by the Secretaries of Labor and Education. Separately, the Departments of Labor and Education anticipate working with States to inform future guidance and possible information collection(s) on these accountability systems. States should begin laying the groundwork for these fiscal and management accountability requirements, recognizing that adjustments to meet the elements above may provide opportunity or have impact on such a fiscal and management accountability system.

The Government will comply with fiscal and management accountability information system specified by the USDOL.

III(b)(6)(A)(i) Describe the State’s plans to make the management information systems for the core programs interoperable to maximize the efficient exchange of common data elements to support assessment and evaluation.

Please, refer to section II(c)(2), for information on State strategies for the labor market information system (Goal 7).

III(b)(6)(A)(ii) Describe the State’s plans to integrate data systems to facilitate streamlined intake and service delivery to track participation across all programs included in this plan.

Please, see above.

III(b)(6)(A)(iii) Explain how the State board will assist the governor in aligning technology and data systems across required one-stop partner programs (including design and implementation of common intake, data collection, etc.) and how such alignment will improve service delivery to individuals, including unemployed individuals.

Please, refer to section II(c)(2), for information on State strategies for the labor market information system (Goal 7) and program information systems (Goal 13).

III(b)(6)(A)(iv) Describe the State’s plans to develop and produce the reports required under section 116, performance accountability system (WIOA section 116(d)(2)).

The core programs will adjust their case management systems in order to collect data for the performance accountability system under WIOA.

III(b)(6)(B) Assessment of Participants' Post-Program Success. Describe how lead State agencies will use the workforce development system to assess the progress of participants who are exiting from core programs in entering, persisting in, and completing postsecondary education, or entering or remaining in employment. States may choose to set additional indicators of performance.

See sections II(b)(4) and III(b)(4), above.

III(b)(6)(C) Use of Unemployment Insurance (UI) Wage Record Data. Explain how the State will meet the requirements to utilize quarterly UI wage records for performance accountability, evaluations, and as a source for workforce and labor market information, consistent with Federal and State law. (This Operational Planning element applies to core programs.)

The wage record information is used to determine employment, retention, and average earnings. Puerto Rico's Unemployment Insurance (UI) wage records are the primary data source. An additional wage record source is the Wage Record Interchange System (WRIS). Since Puerto Rico's UI wage record information requires manual entry, it could not include the most recent data from employers. As such, in the performance accountability system (SIAC), case management notes have been used to determine participants' employment and retention.

However, supplemental data obtained through case management notes are not included on the average earnings measure.

Further, a strategy was developed to include all UI wage information available and allowing the SIAC system to update any previous information. This strategy has been technically challenging; however, we have been able develop a new wage record upload module that will allow to add UI wage record information that was not previously reported. Still, an effort to ensure a timelier data into the wage record system from the employers needs to be developed at the State level.

III(b)(6)(D) Privacy Safeguards. Describe the privacy safeguards incorporated in the State's workforce development system, including safeguards required by section 444 of the General Education Provisions Act (20 U.S.C. 1232g) and other applicable Federal laws.

The State complies with section 444 of the General Education Provision Act, section 2(c)(2) of the Rehabilitation Act of 1973, section 491-2(a)(2) of the Wagner Peyser Act, 2 CFR 200.303, OMB Uniform Guidance and any other applicable provision. It also complies with all relevant local provisions, including those identified by the Puerto Rico Institute of Statistics pertaining the access, dissemination and confidentiality of government

information. Additional guidance will be issued based on the guide published by the Office of Disability Employment Policy, Promising practices in achieving universal access and equal opportunity: a section 188 reference.

III(b)(7) Priority of Service for Veterans. Describe how the State will implement and monitor the priority of service provisions for veterans in accordance with the requirements of the Jobs for Veterans Act, codified at section 4215 of 38 U.S.C., which applies to all employment and training programs funded in whole or in part by the Department of Labor. States should also describe the referral process for veterans determined to have a significant barrier to employment to receive services from the Jobs for Veterans State Grants (JVSG) program's Disabled Veterans' Outreach Program (DVOP) specialist.

Enacted in November 7, 2002, the Jobs for Veterans Act of 2002 (Public Law 107-288) has the main objective of "review and enhance employment, placement and training services offered to veterans." The Act requires that all workforce development programs, fully or partially funded by the USDOL, provide priority service to Veterans and, under certain circumstances, to spouses of veterans. Veterans and eligible spouses of veterans who otherwise meet the eligibility requirements for adult programs must receive the highest priority for services.

The PRDOL is committed to establish relationships with agencies that make up the One-Stop Workforce Development System, such as municipalities, consortiums, colleges and universities, public and private agencies, faith-based and community-based organizations, employer and labor union representatives to ensure and confirm priority of service. Priority of Service will be provided by Wagner-Peyser merit staff. The Veteran Program Coordinator (JVSGC) will be responsible to overview the compliance of Priority of Service by members of the Workforce Community.

A Strategic Plan will be implemented by Wagner-Peyser with an active participation of DVOPs/LVERs staff members who will meet with representatives of all of these organizations in order to achieve or review any agreements in place. The Strategic Plan will have the following goals in mind:

- Identify: veterans, veterans with disabilities, returning wounded or injured veterans, REALife-lines participants, transitioning service members and eligible persons;
- Promote employment of veterans;
- Promote training and education for veterans;
- Seek and coordinate support services for veterans; and
- Establish referral and service procedures.

Wagner-Peyser staff will continue to announce and provide priority of service to veterans according to Federal law and applicable regulations. Veterans entering the ES local offices within the AJCs will be notified of their priority right of service under the Wagner-Peyser Act, as amended by WIOA. Once a customer is identified as a veteran, he/she will be provided special information designed for veterans only, and will be

referred, when appropriate, to specially trained staff for intensive services. Local areas will continue to encourage the provision of additional priority services and information to veterans, including priority access to job orders and individual training accounts (ITAs).

As provided by law, the affected programs that must provide priority service includes, but are not limited to:

- Adults and Displaced Workers program under Title I of WIOWA;
- All services offered under the Wagner-Peyser Act;
- All programs under the Trade Act;
- National Emergency Grants;
- Senior Community Service Employment Program (SCSEP);
- National Farmworkers Jobs Program (NFJP);
- H-1B Technical Skills Training Grants;
- Job Corps;
- Demonstration Projects under WIOWA;
- Youth Opportunity Program;
- Youth Program under WIOWA;
- Labor Market Information Formula Grants;
- Research and Development;
- Electronic tools in AJCs;
- Other self-directed Internet-based services that use technology to assist individuals in accessing workforce development resources

Under 20 CFR 1001.120, priority of service is applied to all employment services including:

- Registration
- Interview with a Veteran Representative
- Tests
- Occupational Counseling
- Job Search Workshops
- OJT Referrals

All career centers inform veterans and eligible spouses of priority of service at initial contact and provides detailed information about priority of service and the range of employment, placement and training services available to them. If a veteran meets the definition of a Veteran with Significant Barriers to Employment as defined below, the veteran or eligible spouse is referred to a JVSG DVOP Specialist for the provision of services.

Also, as disposed by the USDOL Secretary, Veterans aged 18-24 are to be referred to a DVOP specialist for services. Veterans also receive reemployment services from career centers through a FY16 Reemployment Services and Eligibility Assessment (RESEA) program. RESEA provides focused case management services, including reemployment orientation, individualized career assessment, and job search assistance.

Wagner-Peyser staff will continue to announce and provide priority of service to veterans according to Federal law and applicable regulations. Veterans entering the ES offices will be notified of their priority right of service under the Wagner-Peyser Act, as amended by WIA. Once a customer is identified as a veteran, he/she will be provided special information designed for veterans only, and will be referred, when appropriate, to specially trained DVOP Specialists to receive intensive services. In order to be referred to a DVOP, the veteran or eligible spouse shall meet one of the following criteria:

- A special disabled or disabled veteran, as those terms are defined in 38U.S.C § 4211(1) and (3);
- Special disabled and disabled veterans are those: who are entitled to compensation (or who but for the receipt of military retired pay would be entitled to compensation) under laws administered by the Secretary of Veterans' Affairs; or, were discharged or released from active;
- Homeless, as defined in Section 103(a) of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11302(a));
- A recently-separated service member, as defined in 38 U.S.C § 4211(6), who at any point in the previous 12 months has been unemployed for 27 or more consecutive weeks;
- An offender, as defined by WIA Section 101(27), who has been released from incarceration within the last 12 months;
- Lacking a high school diploma or equivalent certificate; or
- Low-income (as defined by WIA at Section 101 (25)(B)).

For Priority of service purpose, the veteran definition is broad covering all persons that served at least one day in the active military, naval, or air service, and who was discharged or released under conditions other than dishonorable, as specified in 38 USC 101(2). Eligible Spouse as defined at section 2(a) of the JVA (38 USC 4215(a)) means the spouse of any of the following:

- Any veteran who died of a service-connected disability;
- Any member of the Armed Forces serving on active duty who, at the time of application for the priority, is listed for more of 90 days as missing in action, capture in line of duty by hostile force and forcibly detained or interned by foreign government or power;
- Any veteran with a total disability from a service-connected disability evaluated by VA;

However, a spouse whose priority of service is derived from a living veteran or service member lost her priority of service if the veteran loses the status that is the basis for the priority or if she divorces from the veteran. The workforce system network in Puerto Rico, including Wagner-Peyser, and the general public is aware of the Priority of Service entitlement to veterans, covered persons and eligible spouses through announcements posted in the bulletin boards and near the entry service delivery point. In addition, Wagner-Peyser and AJC Staff are fully trained to identify covered persons at the reception desk and once in a while they ask the public if there is any veteran or spouse among the clients at the AJC.

Verifying Priority of Service Status through the required paperwork is not mandatory unless the covered persons will undergo eligibility determination or if the applicable federal program rules require the verification in site. Once Priority of Service is determined, covered persons move ahead of the line to receive the appropriate employment, training and placement services over the non-covered persons as required by law and as stated by VPL 07-09. Some Unemployment Insurance Offices have adopted this priority of service model from the Employment Service or the AJC although not mandatory by law.

Local areas will continue to encourage the provision of additional priority services and information to veterans, including priority access to job orders and individual training accounts (ITAs). Other steps that will ensure priority of service to veterans include:

- Training staff members;
- Periodic reception and Labor Exchange Staff reinforcement;
- DVOP/LVER immediate access to job opportunities;
- Placement of signs in waiting areas stating Veterans preference in all offices;
- A brief orientation (in the morning and afternoons) to clients waiting to be served at the reception area related to the priority to Veterans is offered;
- Distribution of printed informative material;
- Data and Report Validation.

III(b)(8) Addressing the Accessibility of the One-Stop Delivery System for Individuals with Disabilities. Describe how the one-stop delivery system (including one-stop center operators and the one-stop delivery system partners), will comply with section 188 of WIOA (if applicable) and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) with regard to the physical and programmatic accessibility of facilities, programs, services, technology, and materials for individuals with disabilities. This also must include a description of compliance through providing staff training and support for addressing the needs of individuals with disabilities. Describe the State's one-stop center certification policy, particularly the accessibility criteria.

As mentioned previously, Title I and the PRVRA will lead the efforts to adapt the USDOL Office of Disability Employment Policy's (ODEP) recommendations contained in its "Promising Practices in Achieving Universal Access and Equal Opportunity: a Section 188 Disability Reference Guide". The resulting guidance will be adopted by the State Board and mandated to all local areas as part of the local area certification and operator

competitive selection processes. Also, ODEP's recommendations regarding enabling the access of people with disabilities to the workforce by means of the Registered Apprenticeship program will be furthered in the program's implementing regulations.

III(b)(9) Addressing the Accessibility of the One-Stop Delivery System for Individuals with Limited English Proficiency. Describe how the one-stop delivery system (including one-stop center operators and the one-stop delivery system partners) will ensure that each one-stop center is able to meet the needs of limited English proficient individuals, such as through established procedures, staff training, resources, and other materials.

The main language used in the provision of services throughout the system, in both printed and oral form, is the Spanish language.

IV. Coordination with State Plan programs. Describe the methods used for joint planning and coordination among the core programs, and with the required one-stop partner programs and other programs and activities included in the Unified State Plan.

The State Board maintains a Strategic Planning Committee that will implement, oversee and review, as appropriate, the Unified State Plan. It will also steer and align with the State Plan, the local and regional planning processes, through appropriate guidance, pursuant to sections 106 and 108 of WIOA. The State Board will be assisted by the Planning Division of the WDP and the core and required program teams assembled to prepare and submit the Unified State Plan.

V. Common Assurances (for all core programs).

The State Plan must include assurances that:

1. **The Government of Puerto Rico** has established a policy identifying circumstances that may present a conflict of interest for a State Board or local board member, or the entity or class of officials that the member represents, and procedures to resolve such conflicts;
2. **The Government of Puerto Rico** has established a policy to provide to the public (including individuals with disabilities) access to meetings of State Boards and local boards, and information regarding activities of State Boards and local boards, such as data on board membership and minutes;
3. The **Department of Economic Development and Commerce**, the **Department of Labor and Human Resources** and the **Vocational Rehabilitation of Puerto Rico** reviewed and commented on the appropriate operational planning elements of the Unified State Plan, and approved the elements as serving the needs of the populations served by such programs;

(a). **The Government of Puerto Rico** obtained input into the development of the Unified State Plan and provided an opportunity for comment on the plan by representatives of local boards and chief elected officials, businesses, labor organizations, institutions of higher education, the entities responsible for planning or administering the core programs, required one-stop partners, other primary stakeholders, including other organizations that provide services to individuals with barriers to employment, and the general public, and that the Unified State Plan is available and accessible to the general public;

(b). **The Government of Puerto Rico** provided an opportunity for review and comment on the plan by the State Board, including State agency official(s) for the Unemployment Insurance Agency if such official(s) is a member of the State Board;

4. **The Government of Puerto Rico** has established, in accordance with WIOA section 116(i), fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the State through allotments made for the core programs to carry out workforce development activities;
5. **The Government of Puerto Rico** has taken appropriate action to secure compliance with uniform administrative requirements in this Act, including that the State will annually monitor local areas to ensure compliance and otherwise take appropriate action to secure compliance with the uniform administrative requirements under WIOA section 184(a)(3);
6. **The Government of Puerto Rico** has taken the appropriate action to be in compliance with WIOA section 188, Nondiscrimination, as applicable;
7. The Federal funds received to carry out a core program will not be expended for any purpose other than for activities authorized with respect to such funds under that core program;
8. **The Government of Puerto Rico** will pay an appropriate share (as defined by the State board) of the costs of carrying out section 116, from funds made available through each of the core programs;
9. **The Government of Puerto Rico** has a one-stop certification policy that ensures the physical and programmatic accessibility of all One-Stop Centers with the Americans with Disabilities Act of 1990 (ADA);
10. Service providers have a referral process in place for directing Veterans with Significant Barriers to Employment (SBE) to DVOP services, when appropriate; and

11. Priority of service for veterans and eligible spouses is provided in accordance with 38 USC 4215 in all workforce preparation, development or delivery of programs or services funded directly, in whole or in part, by the Department of Labor.

VI. Program-Specific requirements for core programs. The State must address all program-specific requirements in this section for WIOA core programs.

VI.I-B Adult, Dislocated Worker, and Youth Activities under Title I-B. The Unified State Plan must include the following with respect to activities carried out under subtitle B—

VI.I-B(a) General Requirements.

VI.I-B(a)(1) Regions and Local Workforce Development Areas.

VI.I-B(a)(1)(A) Identify the regions and the local workforce development areas designated in the State.

The Governor has identified five regions of economic development in the Island, according to their predominant economic activities. These five functional regions contain similar socio-economic characteristics and shared dependencies, which allows for them to be defined as regions of economic development. These will be the regions to be promoted in delineating local areas and guiding regional planning, pending consultation with the local areas to be designated and the corresponding Chief Elected Officials, pursuant to section 106(a)(1) of WIOA. These regions are:

- **Northwest.** The region is characterized by an industrial clustering in computer and information devices, aerospace, agriculture and retail trade.
- **Southwest.** The region is characterized by the concentration of industries in the sectors of agriculture, eco-tourism, hospitality, logistics technology and retail trade.
- **North Central.** The region is characterized by an industrial clustering in pharmaceutical manufacturing, biotechnology, logistics technology, health services, research and development, medical tourism and retail trade.
- **Eastern.** The region is characterized by the concentration of industries in tourism, logistics technology and retail sales.
- **Southeast.** The region is characterized by the concentration of industries in pharmaceutical manufacturing, agricultural biotechnology including crop research and development, and retail trade.

As required under section 106(a)(2) of WIOA, all would-be local areas undergoing the designation process will integrate the proposed regions. All regions, as detailed below,

will comprise more than one local area. During the next two years, prior to the plan's review, the transition of the 15 local areas into 5 local areas corresponding to each of the proposed regional areas will be encouraged.

Table VI-1. Local areas eligible for redesignation by proposed economic region

Region	Local Areas
Northwest	Mayagüez-Las Marías, Northwest, North Central
Southwest	Southwest, Ponce
North Central	Manatí-Dorado, Bayamón-Comerío, Guaynabo-Toa Baja, San Juan, La Montaña
Eastern	Carolina, Northeast
Southeast	South Central, Caguas-Guayama, Southeast

The map shown below illustrates the regional areas and the location of UPR campuses.



The Governor and the State Board shall establish public policy and guidelines to enable local areas develop regional plans. These will be presented to the State Board for evaluation and approval. The guidelines will consider the following topics, consistent with the objectives established in WIOA regulations:

- Technical assistance to local areas for carrying out the regional planning and service delivery efforts required under section 106(c)
- Alignment with regional economic development strategies adopted by the State
- Integration of the economic development initiatives of local government consortia

- Integration of industry cluster organizations, and the advancement of sector strategies and initiatives
- Development of projects and activities for existing and emerging industries generating jobs opportunities
- Collaboration with business and industry associations available in the region
- Agreement structure (MOUs) with consortia, clusters, business associations, academia, providers and other stakeholders in the workforce development systems
- Conditions for strategic planning including evaluation of strength, weaknesses, and opportunities in the region, terms for the revision of the plan, among other parameters
- Governance of the regional plan, in collaboration with the boards of mayors and participating local boards
- Integration of the local boards in the service-delivery model mandated by WIOA, including common intake, common outreach strategies and initiatives, universal service across the region, common performance measures (optional), identification of additional grants and fund opportunities, cost allocation plan, and MOU structure with required and optional partners, among other factors

VI.I-B(a)(1)(B) Describe the process used for designating local areas, including procedures for determining whether the local area met the criteria for “performed successfully” and “sustained fiscal integrity” in accordance with 106(b)(2) and (3) of WIOA. Describe the process used for identifying regions and planning regions under section 106(a) of WIOA. This must include a description of how the State consulted with the local boards and chief elected officials in identifying the regions.

The State Board's Administrative Letter WIOA-1-2015, *Public Policy and Requirements for the Initial and Subsequent designation of local areas under WIOA*, establishes the process for considering the request of the initial designation of local areas for the administration of the funds allocated under WIOA. Additionally, the guidance establishes the directives that will govern the process of evaluation of an application for the subsequent designation as local area. Finally, it also establishes the circumstances and criteria under which the State Board may consider an application for re-designation of local areas that belong to a region of economic development or that seek designation as a single local area.

Under WIOA, the State Board has the power to recommend the designation of an entity as a local area. The State Board advises the Governor in matters relating to the workforce

investment system, including those related to section 106 of WIOA, as well as sections 20 CFR 679.200 to 679.290 of the proposed rule.

WIOA conceives a system centered on the customer, comprising both job seekers and employers, capable of anticipating and responding to the needs of regional economies. This requires that local boards and the Chief Elected Officials design and manage a regional system by aligning their services and policies with regional needs, and devising support strategies for the provision of services adapted to the demands of the economy.

The Governor, in consultation with the State Board, the Chief Elected Officials and the Local Boards will designate local areas as a condition for receiving the funds allocated to the Government of Puerto Rico under Title I of WIOA. In accordance with OE-2014-64, the PRDEDC is WIOA's Title 1 designated grantee, as well as the designated unit to provide administrative and operational support to the State Board.

The state regulations are being issued in compliance with sections 3 and 106 of WIOA, Act 171-2014, which transferred the WDP to the PRDEDC, and the Governor's EO-2014-64 that designated the PRDDEC as grantee, administrator and monitor of WIOA funds allocated to the State and established the State Board.

The State Board Administrative Letter WIOA-1-2015, also enacts public policy to guide the local area re-designation process. In summary, the transition process from a local area designated previously, to be initially designated as a local area under WIOA can occur using one of two methods:

- **Automatic Designation.** Under section 106(b)(2) of WIOA, the Governor must approve an application from the previously designated area for the initial designation under WIOA, provided there has not been a change in the composition of the local area; and for the 2 program years prior to the adoption of the approval of WIOA, the local area "performed successfully" (during PY 2012 and PY 2013), and complied with the criteria pertaining "sustained fiscal integrity".
- **Discretionary Designation.** After recommendation of the State Board, in accordance with section 106(b)(4) of WIOA, the Governor might approve an application of any unit of general local government, including a combination of those units, for its designation as local area under WIOA, if the State Board recommends and determines that the unit or units share a common labor market; share a same area of economic development; and have federal and non-federal resources, including education and training institutions appropriated for delivery service for the labor force.

At any time, the Governor might review the performance and outcomes of a local area to assess if it meets the requirements for its subsequent designation.

VI.I-B(a)(1)(C) Provide the appeals process referred to in section 106(b)(5) of WIOA relating to designation of local areas.

The Administrative Letter WIOA-1-2015, seeks to establish the process for considering the request of the initial designation of local areas for the administration of the funds delegated under WIOA, including the appeal procedures in case on an adverse determination regarding the application for a local area designation. Accordingly, a local area that understands that an adverse determination made with respect to its application of automatic or subsequent designation warrants revision, might submit to the state a reconsideration statement addressed to the State Board within a term of 15 calendar days after the date of receipt of the notification. The State Board shall issue a final determination within 15 calendar days after receipt of the review request. If a denial determination is issued, the PEE might file an appeal to the USDOL within 30 calendar days from the date of receipt of the notice of the determination of the State Board.

VI.I-B(a)(1)(D) Provide the appeals process referred to in section 121(h)(2)(E) of WIOA relating to determinations for infrastructure funding.

The State Board will develop public policy and adopt regulations regarding the appeal process applicable to determinations for infrastructure funding.

VI.I-B(a)(2) Statewide Activities.

VI.I-B(a)(2)(A) Provide State policies or guidance for the statewide workforce development system and for use of State funds for workforce investment activities.

The *Planning Guidelines* is the official document that sets the public policy and requirements for allocating local area funding for the Youth, Adult and Dislocated Workers programs. In compliance with WIOA regulations, priorities and goals the State planning will meet the needs of services of specific populations and minorities, as well as those of job seekers and employers. The annual *Planning Guidelines* compile the State and Federal public policies pertaining the management of WIOA funds. This Guide is designed to ensure compliance with ETA policies and goals, as stated in *Training and Employment Guidance Letters (TEGL)*, *Training and Employment Notices (TEN)*, *WIOA Final Rules*, as well as the State Board policies. Following are some of the items considered in the *Planning Guidelines* in relation to service delivery under WIOA.

Youth Program

The *Guidelines* include the eligibility criteria stated in Section 129 (a), as follows:

- Section 129(a)(1)(B), percent Out of School Youth eligibility
- Section 129(a)(1)(C), percent In School Youth eligibility

- Section 129(a)(3)(A)(ii), not more than 5 percent of the individuals might be persons not qualified as low-income individuals. State guidelines require the local boards to develop public policy and eligibility criteria to meet these requirements

It documents the priorities as follows:

- **Out of school youth.** Section 129(a)(4)(A) of WIOA requires that most of the youth program allocation is used to deliver services to out of school youth. Local Areas must focus their efforts and funds to identify, engage and meet the needs this population, which is a priority under section 129(a)(4)(A) of WIOA, stating that a minimum of 75 percent of the program funds, has to be allocated to out of school youth activities, with priority to older youth.
- **Registered Apprenticeship program.** Apprenticeship is a business and industry-driven model that will be included as a strategy to increase youth attainment of industry-recognized credentials, as well as to improve youth outcomes. Please, refer to section III(a)(2)(B) for additional information on the program.
- **Increasing work experience opportunities.** One of the State Board's priorities is to provide the youth with meaningful work experience opportunities and increasing work experiences for older, out-of-school youth. Section 129(c)(4) states that not less than 20 percent of the funds allocated to the local area shall be used to provide in-school youth and out-of-school youth meaningful work experience activities, including: summer employment opportunities, pre-apprenticeship programs, internships and job shadowing, and on-the-job training opportunities. Also, the State Board have established public policy determining that job placement should be made in high-growth, high-demand occupations in small and medium business, among other industries.
- **Increasing service delivery for youth with disabilities.** The State Board is committed to eliminate the multiple challenges that adversely affect the education and employment of youth with disabilities. The State encourages youth providers to increase services to youth with disabilities.

Adults and Dislocated Workers Program

The Guidelines include the eligibility criteria stated in WIOA for Adults and Dislocated Workers, and consider the following priorities:

- Basic career services
- Individual career services

- State Board policy for the delivery of training services, based on limitations, priority for service and innovative character of the projects

VI.I-B(a)(2)(B) Describe how the State intends to use Governor’s set aside funding. Describe how the State will utilize Rapid Response funds to respond to layoffs and plant closings and coordinate services to quickly aid companies and their affected workers. States also should describe any layoff aversion strategies they have implemented to address at risk companies and workers.

Statewide activities include two components: required and allowable statewide activities. The first category includes those activities required by WIOA regulation and has a compulsory character. The allowable activities are those that will be delivered by the State, on a discretionary basis, as allowed for in section 129 for the Youth Program, and section 134 for the Adults and Dislocated Workers program. Required activities are managed directly by the PRDEDC's administrative and fiscal divisions, while allowable activities require the input and approval of the State Board. The Board has developed public policy to govern the allocation of the set-aside funds available to the State and established the priorities for the use of funds and evaluation of activities including innovative projects, incentives to local areas, and research and development, among other priorities. State allocated funds will be used to support the following required and allowable activities:

Youth required activities

- Conducting evaluations
- Disseminating a list of eligible providers of youth workforce investment activities
- Providing assistance to local areas
- Operating a fiscal and management accountability information system
- Carrying out monitoring and oversight of activities
- Providing additional assistance to local areas that have high concentrations of eligible youth

Youth allowable activities

- Conducting research related to meeting the education and employment needs of eligible youth and demonstration projects related to meeting the education and employment needs of eligible youth.

- Supporting the development of alternative, evidence-based programs and other activities that enhance the choices available to eligible youth.
- Supporting the provision of career services described in section 134(c)(2) in the one-stop delivery system in the State.
- Supporting financial literacy.
- Providing technical assistance to, as appropriate, local boards, Chief Elected Officials, One-Stop Centers operators, One-Stop Centers partners, and eligible providers, in local areas.

Adults and dislocated workers required employment and training activities

- Providing Rapid Response services under the Dislocated Workers program.
- Providing assistance to State entities and agencies, local areas, and One-Stop Centers partners in carrying out the activities described in the State Unified Plan.
- Providing technical assistance to local areas for carrying out the regional planning and service delivery efforts required under section 106(c).
- Providing technical assistance to local areas that fail to meet local performance accountability measures described in section 116(c).
- Providing assistance to local areas operating a fiscal and management accountability information system in accordance with section 116(i).
- Monitoring and overseeing activities.
- Disseminating the State list of eligible providers of training services.
- Disseminating information identifying eligible providers for on-the-job training, customized training, incumbent worker training, internships, paid or unpaid work experience opportunities, or transitional jobs.
- Disseminating information on effective service delivery strategies to serve workers and job seekers.
- Disseminating performance information and information on the cost of attendance (including tuition and fees) for participants in applicable programs, as described in subsections (d) and (h) of section 122.

- Disseminating information on physical and programmatic accessibility, in accordance with section 188, if applicable, and the *Americans with Disabilities Act of 1990* (42 U.S.C. 12101 et seq.), for individuals with disabilities.
- Completing program and service delivery evaluations.

Adults and dislocated workers' allowable employment and training activities

As directed or as allowed, the following training activities will be delivered under the program:

- Implementing innovative programs and strategies designed to meet the needs of all employers (including small employers) in the State.
- Developing strategies for effectively serving individuals with barriers to employment and for coordinating programs and services among one-stop partners.
- Developing or identifying education and training programs that respond to real-time labor market analysis, that accelerate course or credential completion.
- Implementing programs to increase the number of individuals training for and placed in nontraditional employment.
- Executing activities to facilitate remote access to services, including training services including facilitating access through the use of technology.
- Providing career services.
- Coordinating activities with the children welfare system to facilitate provision of services for children and youth who are eligible for assistance under section 477 of the *Social Security Act* (42 U.S.C. 677).
- Promoting research and demonstration projects related to meeting the employment and education needs of adult and dislocated workers.
- Implementing promising services for workers and businesses.
- Providing incentive grants to local areas for performance by the local areas on local performance accountability measures described in section 116(c).
- Adopting, calculating, or commissioning for approval an economic self-sufficiency standard for the State.

- Developing and disseminating common intake procedures and related items, including registration processes, materials, or software.
- Providing technical assistance to local areas that are implementing pay-for-performance contract strategies.
- Completing evaluations of adopted service delivery strategies.

Governor set-aside funds

The state set aside funds shall be allocated for the development of innovative projects, aimed at updating skills and training workers in response to the needs of both the participant and the employer. The aim is for these innovative approaches to be used as service delivery models that could be replicated by the local areas.

The State Board is responsible for establishing the public policy regarding the use of the Governor's reserve funds. The Board's policy specifies the priorities with respect to industries or economic sectors that will benefit from set-aside funding, which are aided by guidelines to assess the need for a specific funding target as well as to determine the merit and the expected outcomes of these initiatives.

Innovative approaches must be directed towards the priorities identified in the State Unified Plan and aligned with economic changes, new technology, the development of local and regional economies, and the development of a skilled workforce through employment and training. These priorities can be summarized under the following project categories:

- Small and medium-sized business leading to the creation of jobs through new business or through the expansion of current industries, and/or through creation of new jobs to promote goods and services for export or subcontracting with multinational companies.
- Science and Technology (high-tech and high-growth industries) industries creating jobs or updating the skills of incumbent workers in industries that are in the process of transforming their operations by introducing new technology in areas such as high-tech manufacturing, research and development, biotechnology, biomolecule science and/or food production technologies.
- Development of partnerships among business and industries, the educational organizations (universities and community colleges) and community-based and faith-based organizations, for the development of new training approaches customized to employment needs in targeted industrial clusters.

- Other activities allowed under WIOA regulation, promoting unsubsidized job placement and retention in the education, health, allied health, tourism, industrial clusters and retail sales.
- Training alternatives to address skill gaps or lack of employment skills.
- Industries located in geographic areas facing economic development difficulties due to recent layoffs, permanent closure of industries, natural disasters or massive unemployment, among other conditions.
- Leveraging of funds through initiatives that rely on braided contributions and/or involving non-traditional and varied sources of funds.
- Layoff aversion activities or strategies to prevent or halt significant layoffs.

Rapid Response Office

The Rapid Response Office of the Workforce Development Program was established to ensure the effective delivery of service to dislocated workers in compliance with program requirements. Rapid Response activities are provided to assist dislocated workers in obtaining reemployment as soon as possible through services such as:

- Coordination of Rapid Response services by working with company management and, as applicable, organized labor representatives
- Provision of on-site services including information on assistance programs such as unemployment insurance compensation, job search assistance, and retraining opportunities
- Immediate referrals to WIA and other public programs available in the local area, which respond to the reemployment and readjustment needs of workers

The Rapid Response services are promoted not only as a tool for providing services to workers affected by plant closings or massive layoff but also as an alternative for the business sector to avert a possible closing and improve the skills of their workers. The workforce system, in collaboration with economic development agencies, has provided alternatives to those companies that struggle to avert a plant closing.

In PY 2014, Rapid Response delivered services to 5,732 dislocated workers from manufacturing, pharmaceutical, business and professional services, public administration and communication industries. The service industry, accounting for 67% of total dislocated workers, became the most affected employment sector by layoffs. The sector included retail trade, professional services, and protective services, among others. Manufacturing industries continued to lose employment with 25% of total dislocated

workers, followed by the public administration sector, which lost with 7% and pharmaceutical industry with 1% of dislocated workers. The services and manufacturing sectors accumulated 91% of total dislocated workers in PY 2014.

The Worker Adjustment and Retraining Notification (WARN) was delivered to 1,811 dislocated workers, representing 36% of the affected individuals. This notification facilitates providing the Rapid Response services in advance of a layoff event. Through the WARN notification and other sources, employers projected the number of employees to be dislocated. The main reason stated as cause for layoffs was expiration of contracts, which accounted for two-thirds of cases, followed by the economic situation with 14%, transfer of operations with 10%, restructuring process with 8%, and change of operator accounting for 2% of total layoffs.

VI.1-B(a)(2)(C) In addition, describe the State policies and procedures to provide Rapid Responses in cases of natural disasters including coordination with FEMA and other entities.

National Dislocated Workers Grant (NDWG) funds for services will be requested when natural disasters and/or massive layoff occur. These requests will require evidence that the Federal Emergency Management Agency (FEMA) has issued a public statement that the area of disaster is eligible to receive public assistance. The purpose of this grant is the creation of temporary employment to help with the activities of cleaning and restoration. The cleaning period is limited to 6 months from the granting of the subsidy, or longer if an extension is authorized.

NDWG by Disaster

An individual who was temporary or permanently dislocated as a result of a disaster event that qualifies for public assistance following a declaration of FEMA to these effects (see section 170(d)(2)). Also, an individual who has been unemployed for a long period of time, as defined by the State, might become eligible according to section 170(d)(2).

Grant of funds NDWG's by Disasters

The initial purpose of this subsidy is the creation of temporary jobs to provide labor for the cleaning and reconstruction of devastated areas by events of disasters. The temporary jobs are limited to public agencies or non-for-profit organizations and should not exceed 6 months or 1,040 hours of duration.

The priority to fill temporary positions shall be directed towards individuals who have been dislocated, either permanently or temporarily as a result of catastrophic event. Other eligible participants are dislocated workers and the long-term unemployed, as defined by the State, to fill the jobs that are needed in the cleaning and recovery effort.

Workers, who are dislocated permanently or long term unemployed, might require assistance to reemployment to return to the labor force after the end of the temporary jobs. In these cases, the entity might request the amendment of the subsidy granted to extend the use funds, or request additional funds to provide intensive services, training and support services. The State is the only entity eligible to submit requests for funds provided under NEG by disasters. This type of request must be submitted within 30 calendar days of the event of a disaster.

VI.I-B(a)(2)(D) Describe how the State provides early intervention (e.g., Rapid Response) to worker groups on whose behalf a Trade Adjustment Assistance (TAA) petition has been filed. (Section 134(a)(2)(A).)

This description must include how the State disseminates benefit information to provide trade-affected workers in the groups identified in the TAA petitions with an accurate understanding of the provision of TAA benefits and services in such a way that they are transparent to the trade-affected dislocated worker applying for them (Trade Act Sec. 221(a)(2)(A) and Sec. 225; Governor-Secretary Agreement). Describe how the State will use funds that have been reserved for Rapid Response to provide services for every worker group that files a TAA petition.

The Trade Adjustment Assistance (TAA) program assists workers who lost their jobs as a result of international trade factors. The program's primary goal is to facilitate the return workers to a suitable employment, using a range of services, including counseling, assessment, training, and job placement. The TAA program is one component of the integrated products and services available through the One Stop Career Centers. The TAA program helps individuals regain economic self-sufficiency by quickly securing and maintaining employment and providing income support to allow individuals to enroll in training to obtain new and suitable employment and a limited wage supplement for older workers who became reemployed in lower paying jobs.

Qualified participants for this program can receive the following services:

- Skills assessments, individual employment plans, career counseling, supportive services, and information on training labor markets
- Classroom training, on-the-job training, customized training designed to meet the needs of a specific employer or group of employers, apprenticeship programs, and more
- Income support available in the form of weekly cash payments to workers who are enrolled in a full-time training course and have exhausted their unemployment insurance

- Reimbursement for costs of seeking employment outside of the worker’s commuting area
- Reimbursement for relocation costs for employment outside of the worker’s commuting area
- A wage subsidy for up to two years that is available to re-employed older workers and covers a portion of the difference between a worker’s new wage and their old wage (up to specified maximum amount)

As previously mentioned, the TAA program has been integrated with core programs in the One Stop Careers Centers. The State's Rapid Response gives the first services to the industry and determines if the industry qualifies to be certified for the TAA program. If the industry is eligible, the TAA staff helps the industry to file a petition on line or by mail with the USDOL. After the worker is certified and has his petition number and received the first services from the state Rapid Response and the One-Stop Centers, he or she will start receiving services from the TAA program. The One-Stop Centers services provided to TAA's participants generally consist of skills assessment, information about employment, job counseling, job placement and supportive services.

VI.I-B(b) Adult and Dislocated Worker Program Requirements

VI.I-B(b)(1) Work-Based Training Models. If the State is utilizing work-based training models (e.g. on-the-job training, incumbent worker training, transitional jobs, and customized training) as part of its training strategy and these strategies are not already discussed in other sections of the plan, describe the State’s strategies for how these models ensure high quality training for both the participant and the employer.

As stated in WIOA, there are a variety of work-based learning services, which provide employers opportunities to customize the training offered to future employees based on the task and functions required for the job. Work-based learning also enables the participants to learn the transferable skills that will lead to employment and future advancement. OJT is perhaps the most involved service that the program can offer to an employer.

Through the State's Rapid Response Unit, layoff aversion strategies are pursued emphasizing the relationship with the employers prior to the announcement of a layoff, potentially enabling strategic interventions to prevent the layoff under consideration. Also, through the Rapid Response Unit, incumbent worker training is going to be used in a more proactive way as WIOA allows for this strategy to be utilized independent of the layoff aversion criteria outlined.

Please, refer to section III(a)(2)(C) for additional information on the program.

VI.I-B(b)(2) Registered Apprenticeship. Describe how the State will incorporate Registered Apprenticeship into its strategy and services.

Please, refer to section III(a)(2)(B).

VI.I-B(b)(3) Training Provider Eligibility Procedure. Provide the procedure for determining training provider initial and continued eligibility, including Registered Apprenticeship programs (WIOA Section 122).

The *Procedure for Initial and Continuous Eligibility for Training Providers* contains the State policy applicable to WIOA training providers. The policies guide the procedures, directives and the threshold criteria for achieving a determination of eligibility of educational institutions interested in providing training and learning services for adults and dislocated workers, in compliance with section 122 of WIOA. The procedure applies to trainings and learning programs provided through the use of the Individual Training Accounts ("ITAs"). Please, refer to www.selep.wiapr.org, for additional information regarding application.

The following institutions may request an eligibility determination, initial or continuing, to provide training services under WIOA:

- Higher education institutions that offer a program that leads to a post-secondary recognized credential
- Institutions that offer training programs registered under the National Apprenticeship Act
- Any other public or private institution with training programs, which may include joint labor-management apprenticeship organization and occupational technical training
- Eligible adult education and literacy service provider under Title II, if these activities are provided in combination with training in occupational skills

Any educational institution must complete the application for eligibility and submit the required information electronically to be assessed by the Local Board, in accordance with section 122 of WIOA.

The Local Board submits to the state and to the State Board the training service providers that comply with the minimum requirement established by the Board. Thereafter, the State will include the recommended eligible programs in the State list of training services providers and disseminate them in all the One Stop Centers via the electronic system. The electronic system will automatically update the list any time a training or education program will be determined eligible. The State shall notify the Local Board through written communication the update of the training service providers' list. Newly eligible WIOA

training providers will be required to comply with continued eligibility provisions by July 2016. If approved, a program's continued eligibility will be extended until the biennial WIOA performance measurement review.

Extended Eligibility – Biennial Review: All training providers' eligibility is going to be reviewed at least every two years as indicated in the *State Training Provider Policy*. The State will review the performance of providers to ensure they are meeting minimum levels of performance. The biennial review will also include verification of the registration status of registered apprenticeship programs.

All sponsor of the Registered Apprenticeship program in the USDOL will automatically include the apprenticeship programs in the State list, which will be disseminated to the One Stop Centers. The electronic system will automatically update the list each time a Registered Apprenticeship Program is included. The sponsors of Registered Apprenticeship programs shall not be subject to the same requirements of implementation for the determination of eligibility of other training providers.

VI.I-B(b)(4) Describe how the State will implement and monitor the priority for public assistance recipients, other low-income individuals, or individuals who are basic skills deficient in accordance with the requirements of WIOA sec. 134(c)(3)(E), which applies to individualized career services and training services funded by the Adult Formula program.

One of the most important groups needing WIOA services is the one comprised by economically disadvantaged individuals. The goal of WIOA is to increase employment, retention, and earnings of participants and improve the quality of the workforce to sustain economic growth, enhance productivity and competitiveness and reduce welfare dependency. Based on the characteristics of the low-income adults and public assistance recipients served with adult funds, the goal of the State consists of expanding and improving the quality of services and outcomes. Efforts will be oriented toward the improvement of the timeliness and effectiveness of early intervention activities; and of the responsiveness of services to the individual needs of the low-income adults and public assistance recipient as follows:

- To provide a better integration of different services available through the One Stop Delivery System.
- To empower the eligible adults with the opportunity to select the individualized career services that serve their service needs and goals.
- To empower the eligible adults with the opportunity to select training opportunities available on a statewide basis through the Individual Training Accounts (ITA's).
- To provide universal access in the One Stop Delivery System to choose the employment related services.

- To increase employment retention and earnings of individuals.
- To improve the quality of the workforce to sustain economic growth, enhance productivity and competitiveness.
- To foster community development programs designed to provide self-employment opportunities to economically disadvantaged individuals in order to motivate their interests and capacity through entrepreneur's activities.

Under title I of WIOA, the workforce and innovation system will provide the framework for delivery of workforce investment activities at the State and local levels to individuals who need those services including job seekers, dislocated workers, youth, incumbent workers, new entrants to the workforce, veterans, persons with disabilities, and employers. The State Board shall establish policies, interpretations, guidelines and definitions to implement priorities in the delivery of service for this population. As mentioned previously, the Planning Guidelines is the official document that sets the public policy and requirements for Local Areas funds allocation in the Youth, Adult and Dislocated Workers programs. The guidelines are consistent with federal regulations.

VI.I-B(b)(5) Describe the State's criteria regarding local area transfer of funds between the adult and dislocated worker programs.

The *Planning Guidelines* is also the official document that sets the public policy and requirements for local area funds allocation regarding the Youth, Adult and Dislocated Workers programs. Section VIII of the guidelines establishes the public policy for transfer of funds between the adult and dislocated worker programs. Section 133(b)(4) of WIOA allows for the transfer of 100 percent of funds between adults and dislocated workers programs, subject to the approval of the Governor. The local areas transfer requests are evaluated according to the need of each local area. To request transfers between programs, local areas must present to the State a transfer application that include:

- Transfer application signed by the president of the Board of Mayors and the president of the Local Board
- Certification of the Local Board in quorum, with the presentation of the minutes of the meeting in which are discussed the scope of the transfer of funds, together with the vote held to authorize it
- Statistical data of the closures of business, industries or employers, as well as the dislocated workers or adults with need, which justify and evidence the need for increase services in the program which funds will be transferred (applications received without this information will not be considered for evaluation)

- Measures to be implemented to avoid any adverse impacts on the services of the program from which funds were transferred or reduced
- Amendment to the *Programmatic Participants Summary* (PPS) when the transfer impacts the delivery of service and change the number of participants that will be served
- Two *Budget Information Summaries* (BIS), one including the transferred amount to maintain the identity of the program where it is transferred, and another reflecting the reduction of the program from which the transfer takes place

Transfer of funds will be made only after completing a thorough analysis of the impacts on the service in the affected programs. The Local Board in charge of establishing the priorities and outcomes of the local areas will consider the impact in the service delivery at the One Stop Centers prior to completing a transfer of funds.

VI.I-B(c) Youth Program Requirements. With respect to youth workforce investment activities authorized in section 129 of WIOA,—

VI.I-B(c)(1) Identify the State-developed criteria to be used by local boards in awarding grants for youth workforce investment activities and describe how the local boards will take into consideration the ability of the providers to meet performance accountability measures based on primary indicators of performance for the youth program as described in section 116(b)(2)(A)(ii) of WIOA in awarding such grants.

As provided in sec. 123 of WIOA, local boards must identify eligible providers of youth workforce development activities in the local area by awarding grants or contracts on a competitive basis based on the recommendation of the youth standing committee, whose establishment will be encouraged by the State Board.

The Local Boards must include the State plan criteria used to identify youth providers, taking into consideration the ability of the provider to meet performance accountability measures based on the primary indicators of performance for the youth programs. Also, must conduct a full and open competition to secure that the selection of youth service providers is made in accordance with federal procurement guidelines in 2 CFR parts 200, in addition to applicable State and local procurement laws.

Where the Local Board determines there is an insufficient number of eligible providers of youth workforce development activities in the local area, such as might be the case in a rural area, the Local Board might opt to award grants or contracts on a sole source basis (WIOA sec. 123(b)).

Local youth programs must be designed to provide for an objective assessment of each youth participant that meets the requirements of WIOA Section 129(c)(1)(A), and include

a review of the academic and occupational skill levels, as well as the service needs, of each youth for the purpose of identifying appropriate services and career pathways for participants and informing the individual service strategy. Also, to develop and update, as needed, an individual service strategy for each youth participant and provide case management to youth participants, including follow-up services. Local areas must ensure that WIOA youth service providers meet the referral requirements established in sec. 129(c)(3)(A) of WIOA for all youth participants.

According to sec. 129(c)(2) of WIOA, local areas must make each of the required 14 youth elements available to youth participants. According to WIOA sec. 129(c)(3)(C), the local areas must ensure that parents, youth participants, and other members of the community with experience relating to youth programs are actively involved in both the design and implementation of its youth programs. A minimum of 75% of State and local youth funding is to be used by local areas for out-of-school youth (OSY). At least 20% of local Youth formula funds must be used for work experiences, such as summer and year-round employment, pre-apprenticeship, OJT, internships or job shadowing.

Youth program providers must provide a detailed description of each program element with youth performance information (for WIA/WIOA youth providers). Performance information for each training program will include a detailed description of the provider partnerships with business partners, and a provider must not be found in fault in criminal, civil, or administrative proceeding related to its performance as a training or educational institution and must not be included in any Federal, State, or local debarment and suspension lists.

VI.I-B(c)(2). Describe the strategies the State will use to achieve improved outcomes for out-of-school youth as described in 129(a)(1)(B), including how it will leverage and align the core programs, required and optional one-stop partner programs, and any other resources available.

Out of school youth are one of the most difficult populations to serve because their primary interest lies in attaining self-sufficiency. Local Areas received youth with facing diverse economic and social barriers to achieve their academic or employment goals. Among these: below average academic and reading levels; risks of becoming dropouts, homeless, runaway, foster child, pregnant or parents, offenders; or in need of additional assistance to obtain and maintain employment. To improve the out of school youth outcomes the State will pursue the following strategies:

- **Use of Waiver Flexibility**

On June 2, 2018, the U.S, Department of Labor, approved the waiver request of certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the Government-wide workforce development system, submitted on March 16, 2018. This action is taken under the

Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8 - 10 of the Wagner-Peyser Act in WIOA Section I 89(i). Puerto Rico workforce development system have the following waivers approved until June 30, 2020:

- ✓ **Waiver of the limitation on the use of funds for capitalization of business under WIOA 181 Ce) to allow funds to be used to capitalize small business that were affected by Hurricanes Irma and Maria. up to \$5.000 per affected business.**

Puerto Rico's request to provide up to \$5,000 for business capitalization to individuals who have completed entrepreneurial or micro enterprise training is approved. BTA grants approval to apply this waiver to DW-31161-17-60-A-72 through a grant modification for the period of performance of that grant. ETA reviewed the Government's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Puerto Rico to implement its plan to improve the workforce development system. This waiver permits the use of National Dislocated Worker Grant (DWG) funds of up to \$5,000 to capitalize a small business in concert with entrepreneurial or small business training for the individual benefiting from the capitalization, within certain parameters.

- ✓ **Waiver of the requirement under WIOA 129(a)(4), and consistent with 20 CFR 681.410 that states and local areas must expend a minimum of 75 percent Older Youth formula funds on youth workforce activities for out-of-school youth (OSY).**

Puerto Rico's request to waive the requirement that the Government and local workforce areas spend a minimum of 75 percent of Youth formula funds on youth workforce activities for OSY is approved. ETA reviewed the Government's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Puerto Rico to implement its plan to improve the workforce development system. The Government indicates that youth services providers are unable to provide services due to the damages suffered to their infrastructure, loss of employees or permanent closure, and that OSY are also competing for Job opportunities with unemployed adults and dislocated workers during the recovery process. ETA approves this waiver through June 30, 2020 and grants a reduction from 75 percent to 50 percent the OSY expenditure minimum for statewide and local area Youth funds.

- ✓ **Waiver to permit the Government to exclude individuals affected by the disaster from the calculation of state and local performance measures identified in WIOA 116(b)**

ETA approves this waiver request through June 30, 2020, for participants who have been displaced from their workforce area because of the disaster or who

are unable to participate in planned WIOA activities because of damage to a facility or entity such as a training provider or OJT employer.

- The current reporting system used for reporting to ETA under WIOA does not allow for a "global exclusions field"; however, ETA has a process for implementing this waiver request using the "Special Project ID" fields in the Participant Individual Record Layout (PIRL).
- *Any* participants who the Government determines have met these criteria must be coded as Special Project ID "48HARVI" in either PIRL elements #105, #106, or #107 in the file upload to the Workforce Integrated Performance System (WIPS) for the quarterly and annual reports submitted to ETA.
- Individuals coded using this Special Project ID will be excluded from the WIPS calculations of the primary indicators of performance identified in WIOA Section II6 (b) and (c). The Government is expected to continue to collect and report to ETA the performance indicators for those participants, but they will be excluded from calculations of the Government's overall progress toward established performance goals.
- The Government must put a plan in place that describes how the local areas will implement the identification and documentation of the participants who meet these criteria for exclusion from performance calculations.

✓ **Waiver of statewide required activities described in WIOA Sections 129(b)(1)(A) and 134(a)(2)(vi) to conduct evaluations under section 116(b) of activities authorized under this chapter and chapter 3 in coordination with evaluations carried out by the Secretary under section 169(a).**

Puerto Rico's request to waive the evaluation requirement under section 116(e) regarding required statewide activities funds due to conditions affecting implementation as a result of the hurricanes is approved. ETA reviewed the Government's waiver request and plan and has determined that the requirements requested to be waived impede the ability of Puerto Rico to implement its plan to improve the workforce development system. ETA approves this waiver through June 30, 2020, given the challenges associated with carrying out the requirement during the Government's recovery period.

- Implementation of the Registered Apprenticeship. Registered Apprenticeship will be implemented as a useful strategy to increase youth attainment of industry-recognized credentials, as well as to improve youth outcomes.
- Foster a structured approach for out of school youth emphasizing the importance of a youth program design that includes meaningful work experiences that integrate work-based learning and academic classroom learning, as a strategy to strengthen services to out of school youth. Local areas will be encouraged to design this activity

by providing a greater number of hours in work experience combined with alternative secondary school, support service and academic learning for the out of school youth.

- **Strengthening Employer Collaboration.** Increase partnerships with employers to foster economic development and high-growth opportunities for out of school youth. The WIOA system has the mission to prepare and train workers, and to help businesses find qualified workers to meet their present and future workforce needs. Local areas will be encouraged to integrate employers to help define and support new strategies designed to better educate, train, and prepare out of school youth and to provide critical leadership in the creation of these pipeline strategies.
- Also, employers can help the workforce system by identifying the skills and competencies needed in the industry, particularly for entry-level positions; developing industry certification; collaborating with training institutions in occupational-skills curriculum development; creating student internships and work experience opportunities; providing formal mentoring programs and partnerships that support youth in their interest to pursue careers in high-growth and high-demand industries; and acquiring employer and industry commitments to hire youth. Also, under WIOA, employers are the main partner in the implementation of Apprenticeship training opportunities and certifications.

When designing youth employment and training programming, State and local areas should consider the following design elements; promotion and increase of meaningful work experience opportunities as set forth in section 129(c)(2)(c) of WIOA, particularly for out of school youth; increase of service delivery for youth with disabilities; need to address the issues impacting service delivery for out of school youth; need to ensure quality case management through the monitoring process; and provision of effective follow-up services.

The state level will provide technical assistance to local areas for carrying out the necessary activities to improve the outcomes for out of school youth as described in section 129(a)(1)(B).

VI.I-B(c)(3) Describe how the state will ensure that all 14 program elements described in WIOA section 129(c)(2) are made available and effectively implemented.

WIOA eligible youth are individuals between the ages of 14 and 24 that are either Out of School Youth or In School Youth as defined by WIOA's section 129(a)(1). These must also meet one of the following additional conditions: being basic skills deficient; be an English language learner; an offender; homeless, runaway, in foster care or aged out of the foster care system; pregnant or parenting; an individual with a disability; or a person who requires additional assistance to enter or complete an educational program or to secure and hold employment.

Services are provided to eligible youth participants through a network of youth service providers, which are competitively procured. The Youth program is committed to providing, through local areas, the following required youth elements:

- Tutoring, study skills training, instruction and evidence-based drop-out prevention and recovery strategies
- Alternative secondary school services or drop-out recovery services
- Paid and unpaid work experiences
- Occupational skills training
- Education offered concurrently with and in the same context as workforce preparation
- Leadership development
- Supportive services
- Adult mentoring
- Comprehensive guidance and counseling
- Financial literacy education
- Entrepreneurial skills training
- Labor market and employment information services
- Activities that prepare for transition to post-secondary education and training
- Follow-up services

In order to become an eligible Youth training provider, the entity must first contact the local area to apply. The area will conduct a competitive bidding process to award locally procured youth contracts. The statewide youth eligible provider list is comprehensive list of those locally procured youth contracts. Once the entity has successfully completed the application process dictated in the local area policy, the application is then referred to the State program to be included on the statewide youth provider list.

VI.I-B(c)(4) Provide the language contained in the State policy for “requiring additional assistance to enter or complete an educational program, or to secure and hold employment” criterion for out-of-school youth specified in WIOA section 129(a)(1)(B)(iii)(VIII) and for “requiring additional assistance to complete an education program, or to secure and hold employment” criterion for in-school youth specified in WIOA section 129(a)(1)(C)(iv)(VII).

State policy defers to local policy on the definition of “requires additional assistance to complete and educational program, or to secure and hold employment.”

VII.I-B(c)(5) Include the State definition, as defined in law, for not attending school and attending school as specified in WIOA Section 129(a)(1)(B)(i) and Section 129(a)(1)(C)(i). If State law does not define “not attending school” or “attending school,” indicate that is the case.

Puerto Rico compulsory education laws require children between the ages of 6 and 16 to attend school. However, for purposes of WIOA, the Workforce Development Program does not consider providers of Adult Education under title II of WIOA, YouthBuild programs, and Job Corps programs to be schools. Therefore, WIOA youth programs may consider a youth to be “not attending school” for purposes of WIOA youth program eligibility if he/she is attending Adult Education provided under title II of WIOA, YouthBuild, or Job Corps. It is the policy of the WDP that student attendance at a post-secondary institution qualifies as “attending school.”

State policy defines “alternative education” as options for students who are at risk of dropping out of high school to remain engaged in an alternative-learning environment that focuses on their particular skills, abilities, and learning styles.

VI.I-B(c)(6) If not using the portion of the basic skills deficient definition contained in WIOA Section 3(5)(B), include the specific State definition.

Puerto Rico is using the basic skills deficient definition as contained in WIOA sec. 3(5). The term “basic skills deficient” means a youth that: has English reading, writing, or computing skills at or below the 8th grade level on a generally accepted standardized test; or is unable to compute or solve problems, read, write, or speak English at a level necessary to function on the job, in the individual’s family, or in society.

VI.I-B(d) Single-area State requirements. In States where there is only one local workforce investment area, the governor serves as both the State and local chief elected official. In such cases, the State must submit any information required in the local plan (WIOA section 106(d)(2)). States with a single workforce area must also include:

Not applicable.

VI.I-B(d)(1) Any comments from the public comment period that represent disagreement with the Plan (WIOA section 108(d)(3)).

Not applicable.

VI.I-B(d)(2) The entity responsible for the disbursement of grant funds, as determined by the governor, if different from that for the State (WIOA section 108(b)(15)).

Not applicable.

VI.I-B(d)(3) The type and availability of WIOA title I Youth activities, including an identification of successful providers of such activities (WIOA section 108(b)(9)).

Not applicable.

VI.I-B(e) Waiver Requests (optional). States wanting to request waivers as part of their title I-B Operational Plan must include a waiver plan that includes the following information for each waiver requested:

See section VI.I-B(c)(2), which include approved waiver for Puerto Rico. On June 2, 2018, the U.S. Department of Labor, approved the waiver request of certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the Government-wide workforce development system, submitted on March 16, 2018. This action is taken under the Secretary's authority to waive certain requirements of WIOA Title I, Subtitles A, B, and E, and Sections 8 - 10 of the Wagner-Peyser Act in WIOA Section I 89(i). Puerto Rico workforce development system have four (4) waivers approved until June 30, 2020.

VI.I-B(e)(1) Identifies the statutory or regulatory requirements for which a 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 Unified State Plan;

VI.I-B(e)(2) Describes the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers;

VI.I-B(e)(3) Describes the goals of the waiver and the expected programmatic outcomes if the request is granted;

VI.I-B(e)(4) Describes how the waiver will align with the Department's policy priorities, such as:

VI.I-B(e)(4)(A) supporting employer engagement;

VI.I-B(e)(4)(B) connecting education and training strategies;

VI.I-B(e)(4)(C) supporting work-based learning;

VI.I-B(e)(4)(D) improving job and career results, and

VI.I-B(e)(4)(E) other guidance issued by the Department.

VI.I-B(e)(5) Describes the individuals affected by the waiver, including how the waiver will impact services for disadvantaged populations or individuals with multiple barriers to employment; and

VI.I-B(e)(6) Describes the processes used to:

VI.I-B(e)(6)(A) Monitor the progress in implementing the waiver;

VI.I-B(e)(6)(B) Provide notice to any local board affected by the waiver;

VI.I-B(e)(6)(C) Provide any local board affected by the waiver an opportunity to comment on the request;

VI.I-B(e)(6)(D) Ensure meaningful public comment, including comment by business and organized labor, on the waiver.

VI.I-B(e)(6)(E) Collect and report information about waiver outcomes in the State's WIOA Annual Report.

VI.I-B(e)(7) The Secretary may require that States provide the most recent data available about the outcomes of the existing waiver in cases where the State seeks renewal of a previously approved waiver.

Title I-B Assurances

1. **The Government of Puerto Rico** has implemented a policy to ensure Adult program funds provide a priority in the delivery of training services and individualized career

services to individuals who are low income, public assistance recipients or basic skills deficient;

2. **The Government of Puerto Rico** has implemented a policy to ensure local areas have a process in place for referring veterans with significant barriers to employment to career services provided by the JVSG program's Disabled Veterans' Outreach Program (DVOP) specialist;

3. **The Government of Puerto Rico** has established a written policy and procedure that set forth criteria to be used by chief elected officials for the appointment of local workforce investment board members;

4. **The Government of Puerto Rico** established written policy and procedures to ensure local workforce investment boards are certified by the governor every two years in accordance with WIOA section 107(c)(2);

5. **The Government of Puerto Rico** has written policy and procedures to ensure the alternative entity meets the definition under WIOA section 101(e) and the legal requirements for membership;

6. **The Government of Puerto Rico** established a written policy and procedure for how the individuals and entities represented on the State Workforce Development Board help to determine the methods and factors of distribution, and how the State consults with chief elected officials in local areas throughout the State in determining the distributions;

7. **The Government of Puerto Rico** will not use funds received under WIOA Title I to assist, promote, or deter union organizing in accordance with WIOA section 181(b)(7);

8. **The Government of Puerto Rico** distributes adult and youth funds received under WIOA equitably throughout the State, and no local area suffers significant shifts in funding from year-to-year during the period covered by this plan;

9. **The Administration of Vocational Rehabilitation** cooperates with **the Department of Labor and Human Resources**, and **the Department of Economic Development and Commerce**;

10. **The Government of Puerto Rico** agrees to report on the impact and outcomes of its approved waivers in its WIOA Annual Report.

11. **The Government of Puerto Rico** has taken appropriate action to secure compliance with the Uniform Guidance at 2 CFR 200 and 2 CFR 2900, including that the State will annually monitor local areas to ensure compliance and otherwise take appropriate action to secure compliance with the Uniform Guidance under section WIOA 184(a)(3);

VI.W-P Wagner-Peyser Act Program (Employment Services)

VI.W-P(a) Employment Service Professional Staff Development

VI.W-P(a)(1) Describe how the State will utilize professional development activities for Employment Service staff to ensure staff is able to provide high quality services to both jobseekers and employers.

Consistent and strategic investment in staff development reflects Puerto Rico's commitment to integrated workforce services. Employment services staff of PRDOL are trained in both employment services and UI programs, enabling customers to receive seamless services geared to facilitate their return to employment. However, for the success of the implementation of the Workforce Innovation Opportunity Act (WIOWA), it is of most importance and essential that the skills and competencies of the WP staff be reviewed and re-engineered. Wagner-Peyser (WP) staff is the most important asset in the delivery of quality services in a prompt manner.

WP staff at the American Job Centers (AJCs) is the key to the success of WIOWA in the provision of career services to job seekers. For a change to occur, WP staff members will have to understand their new role within the AJCs and why they must work differently, participate in reengineering and capacity building process and ultimately derive pride and satisfaction from successfully meeting customer needs and measurable program goals. This means that a consistent and strategic investment in staff development needs to occur as a reflection of the Puerto Rico's commitment to integrate workforce services.

The WP staff will be subjected to an intensive capacity building effort for them to understand the new challenges and demands that WIOWA put on the workforce delivery system. For this to happen the Employment Service Division (ES) will consult with professionals from the academy in the Employment Counseling field to better serve our clients. An integral part to this approach is to provide the competencies and skills necessary to the WP staff and to understand the important role that technology plays in provision of career services to job seekers today.

Federal and State Actual Policy

In Puerto Rico, skills and qualifications to provide occupational or employment counseling is regulated by law, and counseling is within this professional field. ES has among its support staff, Occupational Counselors certified in their field with a master's degree as case managers who work directly with different populations seeking employment such as veterans, UI claimants more likely to exhaust their benefits, including UCX and others.

Counseling services were introduced for the first time by the WP Act of 1933 with specific guidelines that such counseling services shall be provided to people with disabilities.

Subsequently, the provision of these services to other groups identified with special needs became something required.

The Workforce Innovation and Opportunity Act of 2014 states that funds allocated to each state must be used to provide services to job seeking persons, including among other services, counseling. WIOA Section 102 requires the Unified State Plan provides dispositions for the promotion and development of employment opportunities for people with disabilities, for their guidance and insertion in the labor market, and for the designation of at least one person in the ES whose functions will effectuate these purposes.

The Economic Crisis: The Impact on the Provisions of Employment Services

The ES has not been the only program to be impacted by the recent economic crisis, not only at state level but at the federal level, watching their budget decrease with each passing program year. This situation has impacted the ability to recruit new staff to provide all required services available under WIOA for career guidance and employment of job seeking persons. Therefore, not all ES Local Offices have a Career Counselor within its local staff.

This being the current stage, and for which a positive change is in sight in the coming years, it is necessary to train existing staff providing direct services to federally designated as high priority populations, such as veterans and eligible spouses, UI claimants more likely to exhaust their benefits, including UCX and other special target populations identified as in need of career services such as agricultural workers (MSFWs), with the skills and tools necessary to provide such services.

Paradigm Changes: The Employment Specialist

Ways of doing business have changed fast in recent years. Occupational Counseling in the ES must evolve to accommodate this transformation and the implementation of the concept of service delivery through the AJCs.

The requirements to provide employment counseling services should no longer be based primarily on the formal education of the WP professional staff. A determination regarding the staff ability to provide advice or counseling should be considered and shall include past work experiences, current job requirements, current and past job duties and skills required by state regulators.

According to the National Employment Counselors Association (NECA), one of the traits that separate Employment Counselors from other types of Counselors is the knowledge they have of labor laws and its commitment to protecting the labor rights of citizens. NECA is a division of the American Counseling Association and was founded in 1966 to implement sound practices and to enhance employability and long-term employment interventions. The aim of NECA is to provide the best possible resources for people seeking employment and the professionals who work with these people.

EMPLOYMENT COUNSELING

Employment counseling is the process by which a WP Professional and the job seeker work together as a group and/or in individual activities, so that the job seeker may obtain better knowledge and understanding by itself about the labor market and have a more realistic approach when selecting, changing and adapting to a career, profession or a job.

This WP professional has the responsibility of providing direct services to target populations as defined by the United States Department of Labor (USDOL) as high priority, such as veterans and eligible spouses, UI claimants more likely to exhaust their benefits, including designated UCX and other populations in need of career services such as farm workers, with the skills and tools necessary to enable them to achieve their goal of obtaining suitable employment according to their needs, skills and educational level.

For Employment Specialists to comply with their responsibility as stated above, at a minimum, it is recommended they comply with the minimum competencies established by NECA listed below to provide, in an effective way, all the career services required under WIOWA. These competencies were adopted by NECA on March 17, 2001 to be used in the Workforce Development, in the Public Welfare Reform, School-to-Work, AJCs, ES and other Employment Counseling Programs.

- **Individual Counseling (one to one):** A private session (face to face) between an employment specialist and a job seeker. The main objective is to help the job seeker to explore his current situation regarding the selection or changing jobs or occupation;
- **Group Counseling:** The process by which an employment specialist uses the principles and techniques of group dynamics and leadership roles in a continuous and meaningful way to help a job seeker who have trouble getting or keeping a job due to work-related attitudes, behaviors or habits. Usually, these group interventions focus on the discussion of a common theme within the rest of the group;
- **Counseling Skills:** The ability to establish a relationship of trust, open and useful to each client, accurately interpreting the feelings as well as verbal and nonverbal expressions, and convey that understanding to the client and any other relevant information and necessary assistance. The employment specialist must have the awareness and knowledge of career development theory and the ability to support the job seeker through transitions and facilitate decision-making and goal setting. Must have the ability to recognize the need to refer the job seeker to appropriate resources to eliminate barriers to employment and the ability to obtaining (intake) the necessary and effective information to ensure that the job seeker is fit and able to benefit from the programs available in within the American Job Centers;

- **Individual and Group Skills Assessment:** The ability to provide a continuous assessment using individual skills and group evaluation and use of formal and informal assessment methods that comply with the regulations of the Equal Employment Opportunity Commission (EEOC). The ability to provide continuous assessment, individual and group settings, involving the assessment and measurement of customer needs, characteristics, potential, individual differences and self-evaluation. The ability to recognize the needs and special features of all kinds, for example, minorities, women seeking non-traditional and culturally different occupations, immigrants, the disabled, older workers and people with AIDS;
- **Development and Use of Labor Market Information:** The ability to access, understand and interpret the labor market information and job market trends. The ability to develop and use educational, occupational and labor market information to help job seekers in their decision-making process and the formulation of employment and career objectives that lead to self-sufficiency. The ability to develop and use skills standards;
- **Computer Skills:** The ability to apply the principles of employment counseling to the use of the Internet and other online services, including but not limited to testing, job banks (PR.JOBS), job search, preparing and distributing resumes, reports, case management, counseling and maintaining confidentiality of customer data;
- **Development and Implementation of an Individual Employment Plan and Case Management:** The ability to help job seekers to develop and implement an appropriate individual employability plan to help them move from their current situation through any necessary service to improve their employability, including training and supporting services into a suitable job. Knowledge of educational resources and training, sources for financial support, community resources and requirements of the local labor market. The ability to handle cases through placement and retention;
- **Placement Skills:** The ability to identify and communicate an understanding of employers staffing needs to develop effective job development contacts and help the job seeker to present his/her qualifications in relation to the employer's needs. The ability to teach job search skills and for job development. The ability to help the job seeker in making decisions related to the work environment in which he/she could be more successful. The ability to advocate for employment and career development of special target groups;
- **Community Relations Skills:** The ability to help job seekers to get the services needed to address their employment barriers that may interfere with the successful employment and their career goals. The ability to make presentations

to community groups and participate in the working teams of such community groups. The ability to develop information packages. The ability to associate and establish staff resources with other agencies within the American Job Centers;

- **Workload Management and Inter-Personal Relationship Skills:** The ability to coordinate all aspects of the Employment Counseling Program as part of a team effort, resulting in a continuous and significant sequence of client services, agency staff, employers and the community. The ability to operate a comprehensive employment resource center;
- **Professional Development Skills:** The ability to develop skills on an individual basis and within the position or profession and demonstrate by example the performance and standards expected of a professional Employment Specialist;
- **Ethical and Legal Aspects:** The ability to meet the ethical standards developed by the American Counseling Association. Knowledge of regulations and legislation affecting training and employment, employment services and social reform, such as the EEOC, the Americans with Disabilities Act, professional testing standards, Multicultural Affairs, Family Affairs and American Job Centers.

The ES is currently exploring with professionals in the field of Employment Counseling ways to develop workshops and training courses that will provide the skills and competencies described above to WP professional staff who serves as Employment Specialists so that they are familiar with the expectations of an employment specialist and can provide a quality experience for job seekers visiting the AJsCs.

Our goal is to have a complete structured training curriculum aligned with the NECA competencies mentioned above to equip them with the necessary tools to provide high-quality services to both jobseekers and business such as:

- Intensive interviewing techniques;
- Administering career assessments;
- Accessing and interpreting labor market information;
- Customized service strategies for employers and jobseekers;
- Identifying the potential need for soft skills and skills gap training;
- Developing workforce partnerships;
- Identifying available supportive services;
- Résumé writing expertise;
- Counseling to address barriers to employment and to assist with career selection;
- Strategies for business recruitment events;
- Methodologies to connect qualified jobseekers with employers;
- Providing workforce statistics and prevailing industry wages;
- Guidance on employment laws as it relates to the workplace;

- UI the WOTC, and other workforce services;
- Access to customer service training to enhance services to jobseekers and businesses.

In addition to the competencies mentioned above other staff development activities may include:

- Comprehensive online resources on PRDOLs website at www.trabajo.pr.gov;
- Comprehensive training on external online resources such as mynextstep.org and myskillsmyfuture.org;
- Job shadowing for new staff at State and local offices;
- Active participation in NASWA;
- Ongoing assessment of PRDOL and partner staff training needs by local PRDOL career center managers;
- Participation on LWDBs to keep abreast of information on local, State, and national issues.

VI.W-P(a)(2) Describe strategies developed to support training and awareness across core programs and the Unemployment Insurance (UI) program and the training provided for Employment Services and WIOA staff on identification of UI eligibility issues and referral to UI staff for adjudication.

CROSS –PROGRAM TRAINING

Aware of the need to offer better services, the ES provides cross training and technical assistance and support to all core partners staff who serve local job seekers and employers to ensure that program partners are highly engaged in local and State workforce partnerships that allow for the constant exchange of information on core programs, UI legislation, available programs and to integrate these programs into the customer flow within the AJCs. Cross training is provided on services provided by WP to veterans, UI claimants, farm workers and job seekers in general. Also, cross training is provided in areas such as the WP Complaint System, the Agricultural Recruitment System (ARS), and the refocusing of the Jobs for Veterans State Grants (JVSG) and the impact it has on the provision of services by WIOVA partners, UI policies, rules, procedures; detection, addressing and resolution of UI issues affecting UI eligibility. Comprehensive training will be provided to career center staff managing the UI claims process and an overview of the UI process will be available also to WIOVA and other workforce partners.

Identification of Unemployment Insurance (UI) Eligibility Issues

Under the grant requirements for the Reemployment Services and Eligibility Assessment Program (RESEA), a complete review of UI eligibility is performed under the Eligibility Review Program (ERP). Section 303(a)(1) of the Social Security Act (SSA) requires "management methods ... as it is determined by the U.S. Secretary of Labor as reasonable

to ensure full payment of unemployment compensation at the due date." This means that PRDOL have suitable methods of administration for eligibility information by ES to quickly determine the eligibility of a UI claimant based on that information. To ensure that ES meets the needs of UI, policies and procedures are in place to define and timely provide the required information relating to the requirements regarding participation or availability of a claimant.

UI claimants referred to RESEA will be subjected to this eligibility review as part of their participation in RESEA. However, all UI claimants not referred to RESEA and in receiving of employment services will be subjected to the same eligibility review by WP staff as part of the initial assessment. This service can only be provided by state merit staff. WP staff or RESEA staff will revise WP/RESEA participants who have completed appraisal interviews and will refer them to UI for adjudication as appropriate. In addition, UI experienced staff will be co-located within the AJCs to address UI issues, questions and concerns.

Workforce partners will have access to select data elements, such as customer contact information and work history from the WP program. By sharing this data between workforce partners will assist other WIOVA partners such as Title I programs in providing comprehensive, unduplicated services while eliminating unnecessary trips or contacts for the customer.

VI.W-P(b) Explain how the State will provide information and meaningful assistance to individuals requesting assistance in filing a claim for unemployment compensation through One-Stop Centers, as required by WIOA as a career service.

Every individual will have the ability to file a UI claim at every comprehensive AJC. To provide this access and the meaningful assistance to individuals requesting assistance in filing a claim for unemployment compensation through the AJCs, assistance will be assured through:

- UI orientation provided to every new claimant explaining the full range of workforce services available to help them return to work;
- Online access via desempleo.trabajo.pr.gov/reclamantes/ where customers can file electronically from career centers, home, libraries or any other Internet portal;
- Dedicated, experienced UI staff at every one-stop;
- Fully staffed resource centers at all career centers, including Internet access, copies, phones, fax and resource libraries;

- Access points at over 13 one-stops and career centers across the state;
- An opportunity for each claimant to access in-person reemployment services as they come to career centers and one-stops to complete the UI filing process;
- Access to professional and experienced staff for the preparation of Resumes, registration in ES as a requirement for claimants and job matching services;
- The availability of staff, technology, and written materials in a variety of languages to meet the needs of all customers;
- Fully accessible services, online and in person, to serve any customer with a disability;
- Joint participation of UI staff with other workforce partners in large layoff events;
- Daily referrals of customers from workforce partners to UI specialists to ensure that customers have access to all benefits to which they are entitled.

VI.W-P(c) Describe the State's strategy for providing reemployment assistance to UI claimants and other unemployed individuals

PRDOL is positioned, along other partner staff, to provide comprehensive employment and placement services to job seekers who are in most in need and face multiple barriers to reemployment. All employment and placement services are available to all job seekers walking in to an AJC as long they are eligible to work in the United States including job seekers looking for a better career opportunity; individuals who are unemployed and looking for a new job; and job seekers looking for a job for the first time in their lives. All WP services are staff assisted services although job seeker has access to other services provided by the center such self-assisted services, group presentation and customized one-on-one assistance. Job seekers who need more specialized services according to their needs (e.g., veterans, migrant and seasonal farmworkers, UI claimants) received more in-depth career services to further their career goals.

Puerto Rico law requires all UI recipients to register with the ES. Reemployment Services (RES) arises as an amendment to the Social Security Act (SSA), PL 103-152, "Unemployment Compensation Amendments" of November 24, 1993. This law added Sections 303(a) (10) and 303(j) to SSA. Profiling is designed to assist UI claimants who may be unlikely to find employment before their benefits are exhausted. Accordingly, PRDOL runs every week its mandated federal profiling model when UI claimants receive their first payment, at which time selected claimants are notified in writing of the requirements for RES and the varied services available to them. These services include an assessment of skills relative to available jobs; workshops on effective job search,

interviewing techniques and résumé development; an overview of multiple self-service employment resources; detailed labor market information related to growth occupations and industries, and wage surveys to assist with decision making; and direct referrals to job training, educational and supportive service opportunities in the community. However, RES are generally available to all job seekers.

Workload is managed at central level for all career centers and have been set at a threshold of 36 UI claimants per week per career center. We found this is the ideal threshold to ensure that RES can be delivered. All claimants identified by the profiling model system are mandated to participate in required services and shall complete a comprehensive objective assessment and a reemployment plan.

RESEA Program

PRDOL operates RESEA in thirteen ES Local Offices, three of them located within AJCs. The goal is to have all ES local offices located within the career centers by June 30, 2016 to comply with the WIOVA mandate. The RESEA program is of high priority for the USDOL, the Employment and Training Administration (ETA) and the PRDOL. Several studies have found that when attention is placed on the job search efforts of UI claimants and their reemployment needs, these translate into fewer erroneous payments and shorter claim periods. WPRS/RESEA initiatives seek to address both priorities.

The new approach of the RESEA program take into consideration other UI claimants who need these services including UCX claimants. Puerto Rico does not currently house U.S. Military bases except headquarters for the Reserve and the National Guard. Therefore, UCX claimants are ex-serviceman who return to the civil life through military bases outside Puerto Rico. However, UCX claimants represent a small number when compared to the regular UI claimants. Nevertheless, these claimants need intensive reemployment services.

The new RESEA targets UI claimants who are profiled and are most likely to exhaust their weekly benefits, including UCX. This new expansion allows PRDOL to serve more customers across the Island and will allow us to evaluate the impact it has on delivering the career services to a significant number of veterans with workforce challenges. Since RESEA took over WPRS on those career centers where RESEA operates, the new redesign will increase the number of career centers delivering RESEA as ES is being integrated into the career centers during the first two quarters of 2016.

The provision of RES for UI claimants has a high relevance during recessions and periods of high unemployment. As a result, ES will focus its attention and resources on better integration and UI service connection with the services provided through the AJCs under WIOVA. The goal is to ensure that UI seekers have access to the full range of employment services and training through the AJCs while ensuring that claimants meet the requirements for active participation in the job search as a condition to continue receiving benefits.

UI claimants referred to RESEA and other unemployed individuals are subjected to the following:

- An assessment of eligibility and the corresponding reference to the Adjudication Unit if any potential situation is identified that needs to be attended;
- The requirement for each claimant to report to an AJC to get the services listed below;
 - An orientation about the services available through the AJC with emphasis on access to information available on the labor market and careers. Delivery of Labor Market information unique to the experience, skills and desired occupation of the claimant. The focus on a group basis. During the orientation the UI claimant will receive assistance in the use of basic services available and self-help offered within the AJC through the use resources room or virtually (Internet);
 - Register at State Job Bank ([PR.JOBS](#));
 - An initial assessment preferably with an Employment Counselor to identify strengths, weaknesses and barriers after the claimant receive the initial orientation by the RESEA staff. The initial assessment will only be provided to UI claimants who does not have a specific date to return to work;
 - Referrals to appropriate services offered by other partners within the AJCs such as self-assessment, information on education and training, interviewing techniques, networking, occupational exploration, online resources, etc.;
 - Development of and Individual Reemployment Plan which should include job search activities, appropriate topics such as preparing resumes and strategies workshops, job search and/or authorized training;

VI.W-P(d) Describe how the State will use W-P funds to support UI claimants, and the communication between W-P and UI, as appropriate including the following:

VI.W-P(d)(1) Coordination of and provision of labor exchange services for UI claimants as required by the Wagner-Peyser Act;

The WP Labor Exchange System is administered by the PRDOL. Since this labor exchange system resides in SIAC, a web-based software application, UI staff needs to login into the

system to access all ES services provided to UI claimants including job referrals, referrals to training or other WIOVA services and other information as needed. WP staff is funded by WP funds in accordance to federal regulations and circulars to the allowable benefiting fund source. Other WP staff is funded according to the program they are assigned to; (e.g., RESEA, JVSG, WOTC, ALC).

All American Job Centers in Puerto Rico has a resource center where job seekers can access labor market information and other resources for their employment needs. Resources available to job seekers includes the PRDOL Job Bank, labor market information, O*Net resources, USDOL available online tools such as MyNextMove and MySkillsMyFuture, use of fax and copier machines, telephone, Resume writing and development, career exploration, etc. These services are available to all ES job seekers including UI claimants.

All ES employment and placement services are staff assisted services provided by State merit staff to more than 100,000 job seekers annually. Other services are provided through the career centers resource areas. Although a great number of employers post their job opportunities directly with the ES, a great number use the PRDOL Job Banks which lists approximately 90,000 available jobs daily. This tool is independent of the ES Labor Exchange System. We project to connect this tool to SIAC and can download all job orders from PR.JOBS on a daily basis into SIAC and vice versa.

VI.W-P(d)(2) Registration of UI claimants with the State's employment service if required by State law;

UI claimants are required by law to register with the ES to be eligible to receive UI compensation. However, registration process is not integrated in the claims application process since the UI system (SABEN) and the ES Labor Exchange (SIAC) does not interchange information with each other. Both systems are operated by different agencies and the fact the Puerto Rico UI law impose strict restrictions to secure privacy and share data with other users has been a barrier.

Once UI claimants filed their claim, either in person, by phone or by Internet, they are required to visit the nearest career center and register with ES. The claimant has the burden to register with ES. Once registered, a white card (Form 506) is given to the individual as proof of his/her registration in ES. The card has a unique customer ID assigned by SIAC to be valid. Every time the claimant need to visit the career center for UI services he/she needs to present the card to the UI representative as an evidence of his/her registration in ES since UI representatives do not have access to the SIAC system. Currently there is no plans to seamlessly integrate ES registration into the UI claim filing process until the issue of privacy and sharing of data between UI and ES is resolved.

VI.W-P(d)(3) Administration of the work test work test for the State unemployment compensation system, including making eligibility assessments (for referral to UI adjudication, if needed), and providing job finding and placement services for UI claimants; and

UI claimants in Puerto Rico receiving UI benefits must be able and available to work as required by law and be actively seeking full-time work. Amendments to the UI law in Puerto Rico back in 2012 established that if an individual earned most of wages in the base period used to establish the claim or part-time work, the individual would be allowed to restrict their work search to part-time and can reject a full-time job offer. The only exceptions to the work search requirements in Puerto Rico are for the following:

- Individuals with a job attachment - This would include individuals for whom their employer has filed a “partial” unemployment claim for them or those individuals with a definite recall to work. The law does not establish a predetermined period to return to work;
- Union members in good standing;
- Individuals who are approved and enrolled in an approved training program by the Director of the Bureau of Employment Security.

In Puerto Rico the UI benefit certification Form 566, includes a question about whether the individuals are able, available, and actively seeking employment. A negative response places an issue on the certification which cannot be removed until a statement is obtained regarding availability. If an issue is determined, a benefits eligibility review is performed by the UI EBD specialist or claims examiner and a determination released, if in order. During the initial claims filing application, individuals are asked questions regarding their availability. Negative responses require adjudication of the potential availability issue by PRDOL UI claims examiners or services specialists.

Individuals referred to the RESEA program must report to their initial RESEA appointment, and must participate in all subsequent in-person and telephone appointments. During the in-person appointments, a UI Eligibility Review is performed and the RESEA Interviewer question the individual about availability for work and any barriers to work they may be facing during all contacts. During all eligibility reviews (i.e., UI, RESEA) staff review the individual’s work search, discuss the individual’s availability, and any barriers to work.

Employers and anonymous individuals can report suspected UI fraud to the PRDOL UI Division. This can include employers reporting individuals who do not report for interviews, individuals who are incarcerated, or are otherwise not able, available, and/or actively seeking work.

ES Placement Officials staff have regular contact with employers and receive notice when individuals fail to report to an interview or refuse work – resulting in an issue on the individual’s claim. In the event a potential issue is discovered from any source, a EBD is scheduled with a claims examiner. If the individual is not able, available, and actively seeking work (and is not exempted from work search), an appropriate determination regarding UI benefits is released.

VI.W-P(d)(4) Provision of referrals to and application assistance for training and education programs and resources.

Puerto Rico is experiencing for the first time since the inception of WIA and now WIOWA the integration process of WP into the AJCs. It is of the most importance to PRDOL to integrate coordination of service delivery as a primary goal under WIOWA. This will bring together the core programs to provide the whole range of services in a seamlessly integrated and coordinated manner to individuals seeking services at the career centers as indicated below:

- Providing information to job seekers on community resources, labor market information, GED, occupational training, OJT, and support services that make training possible to enhance an individual’s ability to return to work;
- As the “front door” to the workforce system, WP staff from 13 career centers will have the responsibility to identify job seekers’ needs, assist them with UI, employment and reemployment assistance, trade services, automated resources, workshops and referrals to more intensive services such as training, which are provided by WIOA through LWDBs, and other partners.

VI.W-P(e) Agricultural Outreach Plan (AOP). Each State agency must develop an AOP every four years as part of the Unified State Plan required under sections 102 or 103 of WIOA.

Under WP, as amended by WIOA, PRDOL has the responsibility to provide services to Migrant and Seasonal Farmworkers (MSFW) on a basis that is qualitatively equivalent and quantitatively proportionate to services provided to non-MSFWs. It has long been acknowledged that MSFWs encountered significant barriers to complete basic educational objectives and to find sustainable employment that meets their economic needs and aid them in raising their families. These barriers include transportation problems, language barrier (English proficiency) and exposure to workplace hazards. The PRDOL will continue its commitment in assisting MSFWs to overcome these problems. WP services such as job search assistance, counseling, testing and referral services, including the wide range of training services available under WIOWA and the National Farmworker Jobs Program (NFJP) are available to all MSFWs.

As required in WP regulations at 20 CFR 653.107, an Agricultural Annual Outreach Plan (AOP) is required to be submitted on an annual basis. Therefore, we are including the AOP for PY2016 as part of the Unified State Plan required under WIOA. The plan describes the strategies on how MSFWs who are not being reached by normal intake activities conducted by employment service local offices are to be contacted. The WP Act as amended by the WIOA also requires that the activities planned to provide the full range of employment and training services to the agricultural community, both MSFWs and agricultural employers, needs to be provided within the AJC Network. This requires specific actions to provide MSFWs with the wide range of services available to non-MSFW in an equitable manner according to the Charles R. Richey order of 1973 regarding violations of civil rights to MSFWs.

Historically, Puerto Rico had been designated a significant MSFW state. Significant States are those with the highest number of MSFW and is based in the total number of MSFW participants in the WP program as reported in the Labor Exchange Reporting System (LERS) 9002A report.

VI.W-P(e)(1) Assessment of Need. Provide an assessment of the unique needs of farmworkers in the area based on past and projected agricultural and farmworker activity in the State. Such needs may include but are not limited to employment, training, and housing.

Please, see below.

VI.W-P(e)(1)(A) An assessment of the agricultural activity in the State means: 1) identifying the top five labor-intensive crops, the months of heavy activity, and the geographic area of prime activity; 2) Summarize the agricultural employers' needs in the State (i.e. are they predominantly hiring local or foreign workers, are they expressing that there is a scarcity in the agricultural workforce); and 3) Identifying any economic, natural, or other factors that are affecting agriculture in the State or any projected factors that will affect agriculture in the State.

Puerto Rico has 584,988 acres¹ of cropland, with a total value of agriculture sales at approximately \$548 million. Agriculture is Puerto Rico's oldest industry and will continue to be a significant economic driver for the next four years in most of the Island regions. Agriculture industry in Puerto Rico is responsible for the resulting in approximately 30,122 on permanent and a temporary basis. (*Data Source: 2012 USDA Agricultural Census*).

As of November 2015, the total number of workers (not seasonal adjusted) was of 21,000, according to the PRDOL BLS statistics for the worker's group. For this same period the agricultural sector experienced an increase in total workers in November 2015 with

¹ A "cuerda" is a land measure standard in Puerto Rico very close to the acre, another land measurement. A "cuerda" is roughly equivalent to 0.971221910231 acres been the acre the equivalent of 1.02963080782 cuerdas.

respect to November 2014 of 2,000 workers. If this trend continues in the following years, we can see an increase of workers mainly due to the new government agricultural initiatives described below to have agriculture come back like the sugar cane, rice production in Guánica and the expansion of land to produce coffee.

The coffee industry remains among the top ten agricultural companies in order of economic importance in Puerto Rico. Growing coffee represents one of the major contributions to the Puerto Rico economy's main business and way of life for much of the population of the central area of the island. In Puerto Rico there are about 10,000 coffee farmers, of whom the vast majority are small and medium. Coffee growers are distributed in 22 municipalities in the central west region. The main municipalities that make up the production area of coffee are: Adjuntas, Jayuya, Lares, San Sebastian, Añasco, Guayanilla, Mayagüez, Orocovis, Ponce, San Germán, Ciales, Las Marías, Maricao, Utuado, Juana Diaz, Moca, Peñuelas, Villalba, Sabana Grande and Yauco. There are about 88 processors and 56 roasters, according to a legislative report.² Puerto Rico Coffee Roasters, controls over 80% of the coffee market in Puerto Rico and has the brands of Café Yaucono, Café Rico, Café Crema, Café Rioja, Café Encantos, Alto Grande, Adjuntas, Espresso y Yauco Selecto.

2013 marked a shift in the production of coffee. Coffee farmers produced about 80,000 pounds of coffee in the 2013 harvest, which represents only a third of the local consumption as reported by the Puerto Rico Secretary of Agriculture. Production in previous years has fluctuated between 105,000 to 150,000 pounds, according to Department of Agriculture statistics. This situation has since been forced to import coffee from countries like Mexico and Dominican Republic to meet local demand. One of the main problems for this is a sever lack of coffee collectors. An estimated 35% of the crop is lost each year because there is no one to collect, causing millions of dollars in losses. Due to the María Hurricane emergency is expected that a much higher percent of the crop was lost. Recovering the lost crops may take up to three years.

One of the main reasons for the lack of coffee collectors are the low wages paid to coffee collectors, violating in this way the Fair Labor Standard Act. The U.S. Department of Labor/Wage and Hours Division began to dabble in the coffee industry to investigate the payment of at least the Federal or State minimum wage, as appropriate by coffee farmers. In Puerto Rico the production standard is the coffee bushel which is paid around \$ 5.25 to \$6.00 a bushel. Many farmers used to pay only for bushels collected and not necessarily guaranteeing the hourly wage of \$ 7.25 to workers. Because of this several coffee farms have been intervened by the Wage and Hour Division and forced to pay back wages owed to workers. One coffee farmer alone had to paid over \$250,000 in back wages. We hope that these actions by the U.S. Department of Labor brought a change to the industry and that many more workers join the coffee collector's workforce knowing that coffee collectors at least will guarantee them at least \$ 7.25 an hour.

² <http://www.elnuevodia.com/negocios/consumo/nota/golpealcaficultorlanuevaordendelcafe-2076243/>

In 2014 the coffee industry began to recover, and coffee production increased by nearly 15% being September through December the months of heavy activity for the coffee crop. According to the Puerto Rico Department of Agriculture this could be possible by managing to raise the industry with the planting of 800 strings and recovery of plantations that were abandoned. Agreements have been reached at the federal level for revenues generated in agricultural enterprises are not considered at the time that agricultural workers apply for the Nutritional Assistance Program (PAN). During this year nearly 12,000 jobs were generated, and the coffee industry represented a gross income of \$26.3 million.

In 2015, Puerto Rico Coffee Roasters, a major coffee player, established the availability of a telephone line to manage the use of all coffee pickers who are unemployed or who your employer has threatened their jobs. They registered all coffee pickers who need employment, either for their farms or the more than 1,700 coffee farmers around the island. The coffee roaster committed to produce more than 1 million coffee trees. Through its coffee planting project, PRCR has generated more than 100 jobs and confirmed that will recruit more than 500 coffee pickers between 2015 and 2016.

Among the achievements of the Puerto Rico Department of Agriculture during 2015 is the full sale of the first harvest of rice, which was sold to the Dining Rooms School of Education Program and soon begins the second harvest of 500 strings to continue supplying the market. A year ago, Puerto Rico started harvesting rice project in which in the first stage had the technical advice of Dominican businessmen who transferred their knowledge. Agronomists from Puerto Rico now manage irrigation, drainage and coordinate studies in the area. So far, they have harvested 1,049,958 pounds and in the second stage they have reached a yield of 6.387 pounds per acre which exceeds the performance obtained in the first stage which was 5.412 pounds per acre. It works with a plan of planting 20 weekly strings, so that continuous production is guaranteed. In other words, labor intensive activity occurred every three months. Ninety nine percent (99%) of the rice is marketed to serve the school canteens.

Another project is the planting of sugarcane in collaboration with the Land Authority, Industrial Development Company and the Department of Economic Development. They have sown the first 300 strings in the Valley of the Coloso in order to produce seed. During the next few months they expand to 1,300 ropes and so on until you reach 20,000 during this four-year period in the western part of the country. With the production of sugarcane could be supplying 65% of honeys that are consumed on the island in the production of rum, according to the

Ministry of Agriculture. The cane planting project continues to urge compliance with the plan of agricultural development of the country. The project will expand in the Valley of Coloso in Aguada and crops will be initiated in the Lajas Valley specifically in the town of Guánica. With this expansion production of sugar cane is expected to meet the goal set for this year of planting 1,000 acres. Once the seed is planted, it takes about seven

months to harvest the sugar cane. Cane is harvested any time of the year so establishing certain months as the labor-intensive period is not possible, since it will depend on when the cane was planted.

In a joint effort with the Puerto Rico Department of Agriculture, ECONO supermarkets reaffirms its commitment to local farmers by collaborating in the production of pumpkins. This harvest is taking place in the municipality of Santa Isabel. Under its corporate platform for economic development of Puerto Rico, known as El Sabor de Aquí, Econo Supermarkets made the commitment to purchase 175,000 pounds of pumpkins, representing about 20% of the total production of this fruit on the island. According to the Department of Agriculture, pumpkins is a product that is available all year round.

Also, training seminars for agronomists and farmers has begun as part of a collaboration agreement signed with Golden Arches that powers growing iceberg lettuce and encourages the adoption of a model of cooperation and development among small farmers in mountainous central area of Puerto Rico with the support of the Syngentam Foundation, the Agricultural Experiment Station and the Department of correction. This project seeks to substitute imports and strengthen local production by adopting sustainability models to allow farmers and their families the chance of new incomes and employments.

Aside of coffee, rice and sugarcane, Puerto Rico produces a vast array of other agricultural commodities that range from plantains, vegetables (tomatoes, corn, pumpkins, cucumbers, melons) and other minor fruits. The southern region of the Island is the leading area for conventional vegetable crops. Santa Isabel is the leading Southern region municipality where acres of vegetables are harvested housing the largest tomato grower on the Island, Gargiulo, generating approximately 400 to 600 jobs per season. Most vegetables are exported, accounting for 70% of the total vegetable harvest.

Farmers mainly plant pumpkin, cucumber and watermelon and this represents 65%. These three crops are always seeded and throughout the year. Guánica is the second largest region although everything depends on the crops. For example, in 2010 Guánica was number one in onion production for the first time in history in Puerto Rico and now is becoming a rice producer in the region.

Consumption of tomatoes in Puerto Rico accounts for 500,000 quintals per years. However, this is not indicative that production supplies all Puerto Rico's need for this vegetable. Land preparation, planting, irrigating, and harvesting are ongoing activities. Therefore, agricultural employment occurs at numerous locations at any time during the year. Since agricultural activity covers the entire Island, employment opportunities for farm workers are available year-round. Most of the agricultural activities occur in the central, western and southern regions of the Island. March and December are the months of labor-intensive harvesting for tomatoes.

Although Puerto Rico has been designated as an agricultural supply state, many workers will continue to face substantial challenges in obtaining agricultural jobs in the United States to meet employer's needs due to discrimination and barriers placed by H-2A employers, specifically an increase in job experience for most of the crops. This situation makes it difficult for local workers to apply for those jobs and opens the door for employers to hire alien or non-US-citizen workers. However, the State Monitor Advocate is continuously advocating and acting on behalf of these MSFWs by coordinating efforts with different enforcing federal agencies to identify unscrupulous H-2A employers who continuously violate H-2A, Wagner-Peyser and labor related laws.

VI.W-P(e)(1)(B) An assessment of the unique needs of farmworkers means summarizing MSFW characteristics (including if they are predominantly from certain countries, what language(s) they speak, the approximate number of MSFWs in the State during peak season and during low season, and whether they tend to be migrant, seasonal, or year-round farmworkers). This information must consider data supplied by WIOA Section 167 National Farmworker Jobs Program (NFJP) grantees, other MSFW organizations, employer organizations, and State and/or Federal agency data sources such as the U.S. Department of Agriculture and the U.S. Department of Labor (DOL) Employment and Training Administration.

The Employment Service has been delivering a full spectrum of services to Migrant and Seasonal Farmworkers for decades in Puerto Rico to confront and overcome their barriers to employment. Farm workers reside in remote and sometimes inaccessible locations in Puerto Rico. This population are amongst the poorest in the entire United States. The Employment Service has developed different strategies to better serve this population to meet their employment and training needs.

The Outreach Plan is aimed to primarily serve the farm worker population that lives and works in the remote areas where agriculture is the predominant job. On these areas farm workers are employed in planting and harvesting coffee, pineapple, tomatoes, corn, watermelon, papaya, bananas, plantains, mangoes and oranges. The harvest season for these crops may last from three to six full months. This seasonal work does not allow for stable employment and a permanent pay check. In many instances this employment is further dependent on weather conditions. According to **Trading Economics**, this industry factors heavily in the islands current unemployment rate of 11.7%.

In Puerto Rico, contrary to the main land United States, agricultural workforce consists mainly of local farm workers. Foreign workers are non-existent and is expected to continue this way for the years to come since the requirements, regulations and laws governing the recruitment and hiring of foreign workers pose to the local agricultural employers a heavy economic burden making impossible for most of them to make use of the Agricultural Recruitment System established by the U.S. Department of Labor. The language pose another barrier to employment. Spanish is the predominant language among these population posing a barrier to employment as emerging agricultural

employers in the United States are requiring a knowledge of Basic English as a requirement for employment due to security concerns.

For over 50 years, the Employment Service has been serving the farm worker population. In the 1960's to the 1980's many workers migrated to the United States to planting and harvesting crops, specifically in the tobacco industry. Since then, the number of workers migrating to the main land has decreased over the years. Farm worker's population in Puerto Rico is predominantly seasonal and those who migrates to work in the main land do so through the Employment Service by applying to the Interstate Job Orders Clearance System.

Total farm workers workforce in Puerto Rico is calculated to be near the 30,000 workers. In the coffee industry alone, near 20,000 workers were hired to work during the coffee peak season (September – December). Data for the number of workers in the other crops was not available as of the date of this report.

The Employment Service further serves the migrant population that chooses to go to the United States for planting and harvesting of crops from oranges in Florida to field crops in North Dakota and Michigan. Many more still work tobacco in Massachusetts and North Carolina. Also, food processing companies recruit workers in Puerto Rico through P.L. 87 for turkey and poultry processing.

In the past years most farmworkers have returned after the season was over. Most migrant farm workers who live and work in many of the same communities as seasonal workers face fewer and more difficult efforts to find wrap around jobs than any time in the past. As Wagner-Peyser is being integrated within the One-Stop Career Centers as a required partner, we will be able to further assist these population by being a facilitator to have services under Title I programs and other partner programs available and accessible to farm workers.

As part of the integration within the One-Stop Career Centers under WIOA, we will be able to:

- Continue providing high quality employment and placement services to low income farm workers who face multiple barriers;
- Help farm workers develop employability plans, work together with Local One-Stops to provide appropriate services including training when possible;
- Assist in the provision of Outreach services at the place of abode of farm workers;
- Implementing ways to co-enroll farm workers with other partner program like PathStone and Title I that be beneficial to meeting the farm workers employment needs;

Farm workers wages places them below the poverty line making them individuals economically disadvantage. In many states unemployment benefits are inexistent for this population, no sick leave, no paid vacations or health insurance. Farm workers in Puerto Rico face additional barriers including social and physical isolation exacerbated by acute economic situations, educational disadvantage and the lack or limited transportation. These barriers limits their ability to gain access, even to services available at the One-Stop Centers being Outreach and integral component of the program design to provide them with the employment and placement services needed at their work sites and/or place of abode.

VI.W-P(e)(2) Outreach Activities. The local offices outreach activities must be designed to meet the needs of MSFWs in the State and to locate and contact MSFWs who are not being reached through normal intake activities. Describe the State agency's proposed strategies for:

Please, see below.

VI.W-P(e)(2)(A) Contacting farmworkers who are not being reached by the normal intake activities conducted by the employment service offices

20 CFR 653.107(i-p) requires PRDOL to operate an Outreach Program to reach farmworkers that for different reasons normally did not reach ES local offices. PRDOL will provides outreach through six career centers at the end of Program Year 2016 in agriculturally significant areas and continue to reinforce the Outreach Program to comply with regulations as required by 20 CFR 653.107. These centers will be part of the State's WIOA one-stop system, serving as either a comprehensive one-stop center or an affiliated one-stop.

Due to economic budget constraints and other events that occurred during PY 2015, Outreach services have received a dramatic impact affecting services to MSFWs in local offices such as Arecibo, Humacao, Ponce and Guayama. Additionally, Wagner-Peyser funds were reduced during the past three years. We have focused in these career centers to identify the necessary resources to appoint, within the available budget, Outreach staff needed to provide services to MSFWs and agricultural employers in these centers. Our commitment is to have all significant career centers with the necessary staff to provide the employment-related needs of MSFWs according to 20 CFR 653.111. If authorized, the PRDOLHR will be able to increase the number of MSFWs served and provide outreach services to more than half the population of farm workers that at this time cannot be reached.

Each outreach staff establishes a list of available resources and develops partnerships with local organizations serving MSFWs. Resources include, but are not limited to: Department of Health, Farmworker Health Program, State Workers Compensation,

Migrant Legal Services, PathStone Corporation, Department of Education for Adult Literacy, ESL and GED services to MSFWs. Career centers will collaborate with LWDBs to ensure MSFWs have training opportunities for jobs in demand in the area. We believe there are enough resources for Outreach but will continue to seek for additional resources that meets MSFWs needs as they are identified.

Puerto Rico has been designated as a significant MSFW supplier State for several States in the mainland USA. As a result, Puerto Rico’s One-Stop Centers will operate an Outreach program to locate and contact MSFWs not being reached by regular intake procedures. The lack of Outreach workers in PY 2015 put in risk the compliance with the equity ratio indicators. During the first six months of 2016 efforts will be made to hire Outreach workers for the Ponce, Humacao, Guayama, Coamo and Arecibo career centers, all significant MSFWs centers. Notwithstanding the foregoing, year-round outreach activities will be conducted in career centers to the extent resources are available.

Career Center Locations	Municipalities served
Arecibo	Quebradillas, Camuy, Hatillo, Arecibo, Lares, Utuado
Caguas	Caguas, Cayey, Cidra, Aguas Buenas
Humacao	Humacao, San Lorenzo, Maunabo, Patillas, Las Piedras, Yabucoa, Juncos
Guayama	Guayama, Arroyo, Salinas,
Coamo	Coamo, Aibonito, Barranquitas, Villalba
Ponce	Ponce, Adjuntas, Jayuya, Juana Díaz
San Germán	Las Marías, Maricao, Guánica, Lajas, Peñuelas, Cabo Rojo, Yauco, Sabana Grande
Mayaguez	Añasco, Mayagüez, Hormigueros, Las Marías

Table VI-6. Service area of career centers serving MSFW

Source: PRDOLHR.

Due to the tropical weather of Puerto Rico, Outreach workers made contacts with MSFWs all year-round and during peak agricultural activity periods, which vary for different crops. Contacts are made at locations where MSFWs live and congregate. Written and oral presentations are provided to MSFWs on services such as, but not limited to:

- Information regarding the full array of services offered in the career centers;
- Referral to agricultural, H-2A orders, and non-agricultural employment;
- Referral to training;
- Referral to supportive services;
- Career counseling;

- Job development;
- Information on the Wagner-Peyser complaint system;
- Summaries of farm worker rights (terms and conditions of employment);

The efforts to be provided by Outreach staff will cover those described in 20 CFR 653.107(i-p). These efforts are the minimum required, but staff will be more thorough in their presentation, providing a comprehensive outline of services available in their area. The PRDOLHR entered into a Memorandum of Understanding with PathStone to provide a comprehensive outreach approach to MSFWs. The purpose of the MSFW outreach program is to take available services directly to where MSFWs live and work if they are unable to come to the One-Stop Centers. The MSFW program provides the necessary framework for the One-Stop Centers staff to locate, contact, and enhance employability of MSFWs in Puerto Rico. Outreach interviewers provide services at the point of contact or at the One-Stop Centers office. If needed, services which are not available at the local One-Stop Centers, will be provided by the Outreach worker by means of referrals to other WIOA partners, agencies and organizations that provide the needed assistance. All Outreach activities will be funded with Wagner-Peyser funds for those activities managed by the Employment Service. All outreach activities managed by PathStone will be funded through WIOA-167 funds.

When making contacts, Outreach workers obtain permission from the agricultural employers to conduct outreach activities within the limits of the employer's property. During the contact, Outreach workers provide valuable information about services available to them in the career centers and encourage MSFWs to visit the nearest career center for the full range of employment, placement and training services available to them.

In the event MSFWs cannot or do not wish to visit a physical one-stop system location, Outreach staff help the customers complete an application for ES, provide referrals to employment opportunities for which the individuals are qualified, assist them in preparing complaints, or make appointments for needed services. As appropriate, Outreach staff will carry out follow-up contacts with MSFW customers.

The State Monitor Advocate also performs a variety of advocacy activities, including, but not limited to:

- Overseeing the operation and performance of the MSFW complaint system
- Contributing to the State AOP and reviewing the daily reports of outreach workers
- Participating in public meetings throughout the state

- Meeting with farm worker groups and employers to promote the use of the career center services

The State Monitor Advocate also meets and works with other workforce agencies to coordinate services to MSFWs and raised issues, as appropriate, to ensure that the development of new systems and strategies for service delivery will address the needs of MSFW customers.

The State Monitor Advocate conducts onsite reviews at One-Stop Centers, ensuring local workforce systems are following the designated equity indicators and minimum service levels for MSFWs. The State Monitor Advocate also provides training and technical assistance, as needed, to staff of partner agencies regarding outreach and services to MSFWs, and the ES complaint system.

For PY 2016, we project over 2,000 MSFW contacts over a projected 408 days of outreach, with partnering organizations providing a subtotal of about 1,800 MSFW contacts. With the plan to hire additional staff as Outreach workers for the Ponce, Arecibo, Humacao, Coamo and Guayama centers, we project over 5,000 MSFW contacts over a projected 1,088 days of outreach.

Table VI-7. Projected workers dedicated to outreach to farmworkers by service area

Service region	Career centers	Number of outreach workers
Northern	Arecibo	1
Southern	Ponce, Coamo, Guayama	3
Eastern	Caguas, Humacao	2
Western	Mayagüez, San Germán	2

Northern Region

This region has the second largest concentration of MSFWs. The mountainous area is known for producing coffee, specifically in Utuado and Lares. In 2014, the Manatí local office was closed and its staff relocated to Arecibo and Bayamón. This region includes municipalities that when taken together the aggregate number of farm workers exceeds those of the Manatí service area.

Southern Region

The Southern region is well known for the production of vegetable and other minor fruits. With Gargiulo and Pioneer being the main farm employers in the area. Gargiulo is responsible for the employment of over 1,000 workers during the peak season of

tomatoes. This local office was responsible in the past for most of the MSFWs Outreach contacts. The Coamo local office is also responsible for the referrals of workers to Gargiulo, Pioneer and several local farm employers in need of workers. A request will be made to hire the human resources needed to serve this region. With the new regionalization under WIOA, the Ponce local office now serves the Adjuntas and Jayuya municipalities that were previously served by the Arecibo local office.

Western Region

This region comprises the population with most MSFWs since this is the region in which the coffee industry is concentrated, specifically in the municipalities of Yauco, Maricao, Las Marías and Sabana Grande. Due to State government downsizing measures, the PRDOLHR moved to adjust in its expenditures in 2014. This exercise meant the closure of the San Germán local office. All outreach operations were then transferred to the Mayaguez local office with the designation of an additional Outreach worker. Nevertheless, in 2015, an agreement was entered with the Mayor of San German allowing the PRDOLHR to reopen the San German local office and reinstating the Outreach program. Along with the Mayaguez Outreach Worker, both local offices are responsible to carry out an Outreach Program in the Western region providing services to MSFWs and farm employers. Resources for Outreach in the Western region are enough to carry out the program according to 20 CFR 653.107. The Mayaguez local office is a significant MSFW office.

Eastern Region

The Eastern region does not account for a great number of MSFWs and the agricultural activity in this area is at a minimum.

With the previous distribution and service approaches, most MSFWs populated areas will be served by Outreach workers once we identify the resources needed. Coordinated efforts will continue between the Employment Service Division, the USDOL Wage and Hour Division, EEOC and OSHA, to provide training to outreach workers and the local Wagner-Peyser staff. These efforts will result in highly trained Outreach workers in areas such as agricultural workplace safety information to assist and inform MSFWs how to undertake work safety measures and to provide farm workers with a basic summary of their rights, including their rights with respect to the terms and conditions of employment under MSPA.

Table VI-5. Staffing and minimum contact levels, PY 2016

Area/service location	Outreach workers	Contacts per year	Designated outreach worker status
Aguadilla	0	0	Not a Significant Office
Arecibo	0	0	No
Bayamon	0	0	Not a Significant Office

Area/service location	Outreach workers	Contacts per year	Designated outreach worker status
San Juan	0	0	Not a Significant Office
Carolina	0	0	Not a Significant Office
Fajardo	0	0	Not a Significant Office
Humacao	1	600	No (To be hired. Currently serve by Caguas)
Caguas	1	300	Yes (Not a Significant Office)
Guayama	0	0	No
Coamo	0	0	No
Ponce	0	0	No
Mayaguez	1	500	Yes
San Germán	1	800	Yes
Total	4	2,200	

Source: PRDOLHR.

PathStone operates the NFJP in Puerto Rico and the PRDOL partners with them for services to a shared customer population. PathStone anticipates 72 outreach contacts to farms and other organizations for PY2016, reaching more than 1,800 MSFW contacts.

VI.W-P(e)(2)(B) Providing technical assistance to outreach workers. Technical assistance must include trainings, conferences, additional resources, and increased collaboration with other organizations on topics such as one-stop center services (i.e. availability of referrals to training, supportive services, and career services, as well as specific employment opportunities), the employment service complaint system, information on the other organizations serving MSFWs in the area, and a basic summary of farmworker rights, including their rights with respect to the terms and conditions of employment.

For outreach workers to make an efficient job that could be beneficial to farm workers and agricultural employers, they must be trained in all required areas and competencies to comply with 20 CFR 657.103 and be able to:

- Develop strategies and techniques to locate and contact MSFWs to provide information for services available at the local One-Stop Centers.
- Use the information of the Labor Market Information to inform MSFWs of specific job openings (agricultural and non-agricultural) available to them. Also, to assist agricultural employers on securing workers and acquiring information on labor market trends.
- Provide the necessary competencies on labor related laws affecting MSFWs such as the Fair Labor Standard Act (FLSA), the Migrant and Seasonal Farmworkers Protection Act (MSPA), Equal Employment Opportunity Commission, H-2A Regulation, Housing and other State regulations governing MSFWs.

- Assist MSFWs in filling job applications, preparing worker complaints, making appointments and arranging for transportation.
- Provide information about services available through electronic means and teaching them how to access this information.
- Identify qualified MSFWs seeking employment, using 20 CFR Part 653. Initial and follow-up outreach efforts will be made to provide needed services and assist MSFWs in landing a job or improving employability.
- Contact agricultural and non-agricultural employers, program operators, community or faith-based organization, and education-and-training providers on behalf of MSFWs.
- Solicit jobs, training opportunities and employment related services for MSFWs.
- Provide agricultural and non-agricultural employers with information, services and assistance requests related to labor issues and needs.
- Accept job postings while performing field outreach activities.
- Refer qualified MSFWs from the MSFWs Outreach log and from previous contacts through follow-up activities, if there are job openings for referral.
- Select qualified MSFWs from the MSFWs Outreach log to perform job development activities to enhance MSFW applications by including their additional occupational skills, transferable occupations and matching positions with non-agricultural jobs, when no suitable, agricultural job openings are available for referral.

PRDOLHR is working towards having in place a One-Stop Centers network system to enhance the referral of workers to both agricultural and non-agricultural jobs. Coordinated efforts will continue between the ES, the Wage and Hour Division, OSHA and the State Legal Services Farmworker Division, to provide training to outreach workers and the local WP staff. These efforts will result in highly trained Outreach workers in areas such as agricultural workplace safety information to assist and inform MSFWs how to undertake work safety measures.

VI.W-P(e)(2)(C) Increasing outreach worker training and awareness across core programs including the Unemployment Insurance (UI) program and the training on identification of UI eligibility issues.

To comply with federal regulations, all WP staff is trained in the Agricultural Recruitment System (ARS). The training provided important information to staff in the use of the ARS system, to fill the need for workers during harvest season and for other available agricultural jobs. To better serve the needs of agricultural employers, WP merit staff must focus on employer issues. Employer services are planned and implemented based on each career center service delivery plan. To make sure that agricultural employer needs are met, career centers must provide key activities in the agricultural referral process, such as integrating services for agricultural employers and workers; identifying job-ready workers once they arrive at the work site; and providing employers with labor market information related to their specific industry, such as farm worker rights and support service information, among other services.

VI.W-P(e)(2)(D) Providing State merit staff outreach workers professional development activities to ensure they can provide high quality services to both jobseekers and employers.

Currently, the PRDOLHR has staff members in the following career centers; Mayaguez, San Germán and Caguas, this last one also serving the Humacao Career Center serving both MSFWs and agriculture business. These three offices have knowledgeable, designated staff prior to and during peak season to assist growers and MSFWs through outreach activities. WP funded positions are used in these offices for both MSFW and agricultural employers' outreach.

VI.W-P(e)(2)(E) Coordinating outreach efforts with NFJP grantees as well as with public and private community service agencies and MSFW groups.

An MOU has been entered with PathStone, an initiative of the State Monitor Advocate in 2013. As the ETA designated grantee for Puerto Rico, PathStone operates the National Farmworker Jobs Program (NFJP) and provides career and training services and related assistance for MSFWs. The cooperative agreement will serve to assist in establishing and demonstrating effective outreach coordination, enhance service delivery to MSFWs and increase registration activities between PathStone and significant career centers staff. The partnership provides for the sharing of labor market information, training, supportive services, and job-related resources available to MSFWs. The cooperative agreement will improve mutual capacities and the likelihood of effective customer service, by sharing the responsibilities for this population and displaying an efficient use of available resources.

The primary benefits of the cooperative agreement with PathStone are:

- The information exchange process is streamlined, something that will improve the occurrence and accuracy of shared information.
- Each organization will be better prepared to coordinate actions, including those that may require immediate intervention when serving MSFWs.

- Staff awareness of emerging issues regarding the MSFW community has increased.
- The establishment of a vehicle of communication with the career centers and PathStone to periodically review and assess quality services to MSFWs.
- Reports are shared on the staff hours spent performing MSFW outreach activity.

PathStone already manages to co-locate staff in the Mayaguez Employment Service local office after closing one of their offices in the area. This allows PathStone to leverage the PRDOLHR resources to better serve the MSFWs in the Western area. PathStone provided outreach contacts to 1,750 customers in PY 2015. PathStone contacts will focus on practically all service areas described above.

PathStone also have cooperative agreements with several career centers and community partners focusing on integrated service strategies and resource sharing. Collaborative approaches reduce duplication of effort and ensure that resources are used effectively for the benefit of customers.

PathStone Corporation is also the NFJP housing grantee for Puerto Rico and provides housing support services to MSFWs through rental and utility assistance. The State Monitor Advocate and the PRDOLHR Outreach workers will continue to coordinate with PathStone staff in their efforts to assist growers in providing safe and affordable housing for farmworkers, hence expanding the range of services available to this population.

VI.W-P(e)(3) Services provided to farmworkers and agricultural employers through the one-stop delivery system. Describe the State agency's proposed strategies for-

Please, refer to section VI.W-P(e)(3)(B), below.

VI.W-P(e)(3)(A) Providing the full range of employment and training services to the agricultural community, both farmworkers and agricultural employers, through the one-stop delivery system. This includes:

Federal requirements state that services provided to MSFWs must be “qualitatively equivalent and quantitatively proportionate” to the services provided to other job seekers. This means that MSFWs are to receive all workforce development services, benefits and protections on an equitable and non-discriminatory basis (i.e. career guidance, testing, job development, training and job referral). It is necessary; therefore, to continue strengthening the capability of the WP staff to serve the needs for farm working jobs, by helping them find employment using a Labor Exchange System. With the launch of the Puerto Rico Job Bank ([PR.JOBS](#)) back in October 1, 2012, it became an important component of ES allowing career center staff to comply with its main objective,

which is to bring employers and job seekers together. Therefore, in order for the MSFWs Program to comply with the Minimum Service Level Indicators it is necessary to provide the local career center staff with the necessary tools and resources (such as: capable and trained staff; software and equipment; access to current Labor Market Information; among others) in order to have the capability of informing the public, MSFWs included.

PRDOL's web site contains a broad array of employment resources for job seekers and businesses. The PRDOL website address is: <http://trabajo.pr.gov>. In addition, PRDOL's provides an extensive bank of available jobs through its Job Bank website, [PR.JOBS](#). The website is user friendly and can translate the site content into Spanish. [PR.JOBS](#) has become the "de facto" Job Bank for Puerto Rico when launched in 2012. Career centers staff assists employers by referring qualified workers to the different job orders posted. However, this represent a challenge for career center staff to provide workers with available jobs since jobs available in the Puerto Rico Job Bank are mostly in professional jobs which required college preparation, advance skills and job experience. Information on department services, including how to register for services, is available ensuring that farmworkers have the full range of services available whether services are received in the field or a career center. Bilingual staff are also made available to assist non-Spanish speaking customers.

As part of addressing their job needs, career centers receive Job Orders through the Interstate Clearance System. Concerted efforts are made with Order Holding States to refer qualified workers to these job openings. To make sure that employer labor needs are met, WP merit staff works with job matching results, to ensure that qualified job-seekers are referred to the corresponding job opening. Outreach efforts are used to recruit workers outside the local job site recruiting area. Outreach staff is committed to provide information on the services provided at the career centers and will help employers when posting agricultural job orders while workers were referred to these very same opportunities.

Key WP staff is trained in the Agricultural Recruitment System (ARS). The training provided important information to staff in the use of the ARS system, to fill the need for workers during harvest season and for other available agricultural jobs.

Outreach workers staff contact growers during the harvesting seasons to plan for upcoming labor needs. Coordination is made with the growers and with other career centers to match the labor needs of employers with workers qualified to fill the jobs. In line with PRDOLHR's focus on services to business, state merit staff provide Outreach personnel with comprehensive listings of area growers to aid in scheduling visits throughout the agricultural community. PRDOLHR also collaborates with the Puerto Rico Department of Agriculture to ensure all resources for growers and agricultural workers are coordinated in a seamless fashion. Additionally, Outreach workers has a strong relationship with the UPR's Agricultural Extension Service/Department of Agriculture

regional field staff to collaborate and improve services to agricultural employers and MSFWs.

To better serve the needs of agricultural employers, WP merit staff must be focused on employer issues. Employer services are planned and implemented based on each career center service delivery plan. To make sure that agricultural employer needs are met, career centers must provide key activities in the agricultural referral process, such as:

- Integrating services for agricultural employers and workers;
- Identifying job-ready workers once they arrive at the work site and providing employers with labor market information related to their specific industry, such as farm worker rights, support service information, etc.

PRDOL plans to continue implementing strategies and the use of best practices to address the following:

- **Limited knowledge of state/federal employment laws and regulations:** Career centers will continue to host Forums/Workshops to educate employers and agricultural crew leaders regarding state/federal laws and regulations;
- **Lack of efficient use of local human resources:** Career centers staff must encourage/facilitate communication between growers, regarding farm-workers' specific needs. One possible resource is Puerto Rico's Agricultural Extension Program;
- **Lack of facilities/staff to screen and interview potential farm workers:** Career centers may provide temporary office space that agricultural employers may use as a job-interviewing facility. Workforce Center staff may also provide intake and referral activities at the growers' locations.
- **Encourage farm labor contractors to register:** Career centers staff may provide forms and instructions for completing crew leader registrations and ensure that farm labor contractors' registration cards are kept current;
- **Housing:** The ARS requires employers to provide housing at no cost to workers who cannot reasonably return to their place of residence after each working day. This is one of the unique challenges Puerto Rico agricultural employers face when using ARS; especially when providing housing for coffee pickers. Also, PRDOL is planning to coordinate efforts and Grant activities with PathStone, Inc., the Housing Grant coordinator for the NFJP grantee under the WIA 167 housing grant for Puerto Rico to address the housing needs of farm workers and their family.

Agricultural employers and MSFWs are critical to the state's workforce, especially in the geographic areas where agriculture is the key economic industry. Serving the needs of the agricultural industry requires coordination between:

- State Monitor Advocate;
- WIA Section 167, PathStone, Inc.;
- Groups that represent MSFWs;
- Agricultural employer organizations;
- Wage and Hour Division (Caribbean District);
- Equal Employment Opportunity Commission (EEOC);
- Federal agencies with regulatory responsibilities for enforcing laws related to agricultural labor; and other organizations such as OSHA.

Each of the above organizations has been instrumental in the ongoing efforts of providing support for the benefit of agricultural employers and their workers. They were provided with the opportunity to comment on and participate in the development of this plan.

To assist MSFWs in addressing their job needs, career centers receives Agricultural Job Orders through the Interstate Clearance System. The Agricultural Recruitment System (ARS) is operated and coordinated within the career centers by Wagner-Peyser merit staff.

The FLCO receives job orders from the different State Order Holding Officers asking for qualified workers for open agricultural jobs. These job orders are mainly associated with an H-2A application. The Foreign Labor Certification Officer (FLCO) shares Interstate Job Orders with career centers and receive referrals of workers interested in applying to these Job Orders. Concerted efforts are made with Order Holding States to refer qualified workers to these job openings. To make sure that employer labor needs are met, State merit staff will work with job matching results, to ensure that qualified job-seekers are referred to the corresponding job opening. Outreach efforts are used to recruit workers outside the local job site recruiting area. Wagner-Peyser will continue its commitment to make efforts to strengthen the working relationships with MSFWs and employers.

During the referral process career center staff:

- Identifies workers and screens them against employer requirements;
- Coordinates referrals with the Puerto Rico FLCO;
- Assist with schedule interviews with employers and;

- Makes travel arrangements.

VI.W-P(e)(3)(A)(i) How career and training services required under WIOA Title I will be provided to MSFWs through the One-Stop Centers;

Once registered, a farm worker might receive the following career services:

- Assistance for program compliance
- Preparation of job applications
- Job information per type of referral to specific employment opportunities (agricultural and non-agricultural), training, counseling and other services
- Support service referrals for individuals or family members
- Information and referrals to PathStone or other appropriate program services
- Information about farm worker rights (Federal and State employment related protections laws such as MSPA and FLSA)
- How to contact other organizations servicing MSFWs, such as the Migrant Legal Services, Migrant Health and others
- When applicable, Outreach Staff will make appropriate referrals to PathStone, Inc. as stipulated under the Job Service Cooperative Agreement or Memorandum of Understanding (MOU)

The ARS System is operated and coordinated within the One-Stop Centers by WP and other partners. As a result, the Foreign Labor Certification Officer (FLCO) can share Interstate Job Orders with these One-Stop Centers staff and PathStone and receive referrals from the different WIOA local areas on which physical integration is not yet done. The FLCO receives job orders from the different State Order Holding Officers asking for qualified workers for open agricultural jobs. These job orders are mainly associated with an H-2A application. The job orders are distributed to local Workforce Centers, and soon to local One-Stop Centers, to be posted for job seekers to apply to these agricultural jobs.

Outreach workers and WP staff at the career centers will identify workers and screen them against employer requirements; coordinate referrals with the Puerto Rico FLCO; assist with scheduling interviews with employers; and make travel arrangements.

One-Stop Centers will continue to make efforts to strengthen the working relationships with MSFWs and employers. The SIAC system will assist Outreach workers in providing MSFW with the full range of services available through the One-Stop Centers.

Federal requirements state that services provided to MSFWs must be “qualitatively equivalent and quantitatively proportionate” to the services provided to other job seekers. This means that MSFWs are to receive all workforce development services, benefits and protections on an equitable and non-discriminatory basis (i.e. career guidance, testing, job development, training and job referral). It is necessary, therefore, to continue strengthening the capability of the WP staff to serve the needs for farm working jobs, by helping them find employment using a Labor Exchange System.

PRDOLHR’s web site contains a broad array of employment resources for job seekers and businesses. The PRDOLHR website address is: <http://trabajo.pr.gov>. In addition, PRDOLHR’s provides an extensive bank of available jobs through its Job Bank website, PR.JOBS. The website is user friendly and can translate the site content into Spanish. Career centers' staff assists employers by referring qualified workers to the different job orders posted. However, the process still poses challenges for career center staff to provide farmworkers with available jobs since jobs available in the Puerto Rico Job Bank are mostly in professional jobs which require college preparation, advance skills and job experience. Information on services, including how to register for services is provided online ensuring that farmworkers have the full range of services available whether services are received in the field or a career center. Bilingual staff are also made available to assist non-Spanish speaking customers.

The career centers receive Job Orders through the Interstate Clearance System. Concerted efforts are made with Order Holding States to refer qualified workers to these job openings. To make sure that employer labor needs are met, WP merit staff works with job matching results to ensure that qualified jobseekers are referred to the corresponding job opening. Outreach efforts are used to recruit workers outside the local job site recruiting area. Outreach staff is committed to provide information on the services provided at the career centers and will help employers posting agricultural job orders and referring workers to these very same opportunities.

VI.W-P(e)(3)(A)(ii). How the State serves agricultural employers and how it intends to improve such services.

PRDOLHR plans to continue implementing strategies and the use of best practices to address the needs of agricultural employers including the following topics:

- Limited knowledge of State/Federal employment laws and regulations. Career centers will continue to host Forums/Workshops to educate employers and agricultural crew leaders regarding State/Federal laws and regulations.

- Lack of efficient use of local human resources. Career centers staff must encourage/facilitate communication between growers, regarding farm-workers' specific needs. One possible resource is Puerto Rico's Agricultural Extension Program.
- Lack of facilities/staff to screen and interview potential farm workers. Career centers might provide temporary office space that agricultural employers might use as a job-interviewing facility. Workforce Center staff might also provide intake and referral activities at the growers' locations.
- Encourage farm labor contractors to register. Career centers staff might provide forms and instructions for completing crew leader registrations and ensure that farm labor contractors' registration cards are kept current.
- Housing. The ARS requires employers to provide housing at no cost to workers who cannot reasonably return to their place of residence after each working day. This is one of the unique challenges Puerto Rico agricultural employers face when using ARS; especially when providing housing for coffee pickers. Also, the PRDOLHR is planning to coordinate efforts and grant activities with PathStone, Inc., the Housing Grant coordinator for the NFJP grantee under the WIOA 167 housing grant for Puerto Rico, to address the housing needs of farm workers and their families.

Agricultural employers and MSFWs are critical to the State's workforce, especially in the geographic areas where agriculture is the key economic industry. Serving the needs of the agricultural industry requires coordination among the following stakeholders:

- State Monitor Advocate
- WIOA Section 167, PathStone, Inc.
- Groups that represent MSFWs
- Agricultural employer organizations
- Wage and Hour Division (Caribbean District)
- Equal Employment Opportunity Commission (EEOC)
- Federal agencies with regulatory responsibilities for enforcing laws related to agricultural labor
- Other organizations such as OSHA

Each of the above organizations has been instrumental in the ongoing efforts of providing support for the benefit of agricultural employers and their workers. They were provided with the opportunity to comment on and participate in the development of this plan.

VI.W-P(e)(3)(B) Marketing the employment service complaint system to farmworkers and other farmworker advocacy groups.

In fulfilling his other responsibilities under federal regulations, the PRDOL has established a Uniform Complaint System under WP pursuant to 20 CFR 658.400. With this complaint system in place, career centers have the capacity to resolve MSWF complaints and any others job seeker impacted by WP activities. The state and local managers have the responsibility to resolve complaints filed pursuant to 20 CFR 658.400.

The SMA is responsible for the overseeing of the Complaint System, his operation and performance. He is also responsible for the marketing and promotion of the Complaint System to other MSFW Advocacy groups and partners such as MSFWs served by PathStone. The SMA also oversees that Outreach workers inform MSFWs contacts about the Complaint System and help them to file a claim as appropriate.

During the required career center orientation, job seekers are briefed on the Wagner-Peyser Complaint System. Then, during registration, a WP Employment Specialist explain the Complaint System to the worker and learns how to properly file a complaint. A Complaint form is handed out to the worker at that moment. He is also informed of his rights as a MSFW.

VI.W-P(e)(3)(C) Marketing the Agricultural Recruitment System to agricultural employers and how it intends to improve such publicity.

With the integration of Wagner-Peyser within the One-Stop Career Centers, the Department of Labor, through the Employment Service Division will cross-train one-stop staff providing services to employer into the Agriculture Recruitment System (ARS). This will provide to the AJC staff the capacity and skills to market, in a limited way, the ARS to agricultural employers to provide them with the labor force needed to harvest their crops. However, and based on prior experience, we expect agricultural employers not to use the ARS for recruiting workers outside the local area of employment, since escalating an agricultural job order, be intrastate or interstate, will result in an economic burden to the local employers that could not be afford by most employers. Therefore, agricultural employers never attempted to bring foreign workers into Puerto Rico during the labor-intensive harvest for coffee, for example.

Notwithstanding from the above, the Employment Service Division will provide workshops for agricultural employers to market the ARS and provide them with information needed to make an informal decision on whether to use the system. Providing housing and transportation reimbursement as required by regulations are

something that agricultural employers have stated in the past they cannot afford. Although the government started a project, under the Department of Agriculture, to help farmers by providing the housing for the farm workers, the project failed. State laws have been forwarded to stimulate and regulate the employment of foreign workers with no avail since this is a Federal occupied field.

Agricultural industry in Puerto Rico is far different from the agricultural industry in the United States and local agricultural employers cannot afford the costs of implementing the required guarantees they need to provide to MSFWs be them local migrant workers or foreign agricultural workers.

VI.W-P(e)(4) Other Requirements.

VI.W-P(e)(4)(A) Collaboration. Describe any collaborative agreements the SWA has with other MSFW service providers including NFJP grantees and other service providers. Describe how the SWA intends to build upon/increase collaboration with existing partners and in establishing new partners over the next four years (including any approximate timelines for establishing agreements or building upon existing agreements).

Cooperative agreement with Pathstone

The PRDOLHR has a cooperative agreement with PathStone to provide a comprehensive outreach approach to MSFWs. The plan is to renew the agreement in the coming months and to enforce the responsibilities of each partner in the agreement. Wagner-Peyser management at the One-Stop Career Centers will have the task to administer the agreement at the local level by ensuring that quarterly meetings are held to discuss what issues need attention within the agreement, so services reach to the MSFWs community served by the significant career centers.

Legal Services of Puerto Rico

The PRDOLHR has an agreement with the Legal Services Program to provide orientation and valuable information to MSFW who migrate to the United States to work in farm work through the Federal Agricultural Job Order Clearing System. Before departing to work in the USA, workers are briefed on the rights available to them as MSFWs. Coordination is made with Legal Services if any worker needs legal services due to the violation of his/her rights by the agricultural employer while working in the USA.

Wage & Hours Division / EEOC

Coordinated efforts will continue between the Employment Service Division, the USDOL Wage and Hour Division, EEOC and OSHA, to provide training to outreach workers and the local Wagner-Peyser staff. These efforts will result in highly trained Outreach workers in areas such as agricultural workplace safety information to assist and inform MSFWs how to undertake work safety measures and to provide farm workers with a basic

summary of their rights, including their rights with respect to the terms and conditions of employment under MSPA.

VI.W-P(e)(4)(B) Review and Public Comment. In developing the AOP, the SWA must solicit information and suggestions from NFJP grantees, other appropriate MSFW groups, public agencies, agricultural employer organizations, and other interested organizations. In addition, at least 45 calendar days before submitting its final AOP, the SWA must provide a proposed plan to NFJP grantees, public agencies, agricultural employer organizations, and other organizations expressing an interest and allow at least 30 days for review and comment. The SWA must: 1) Consider any comments received in formulating its final proposed AOP; 2) Inform all commenting parties in writing whether their comments have been incorporated and, if not, the reasons therefore; and 3) Transmit the comments and recommendations received and its responses with the submission of the AOP.

VI.W-P(e)(4)(B)(i). Include the list of organizations from which information and suggestions were solicited, any comments received, and responses to those comments. The AOP must include a statement confirming NFJP grantees, other appropriate MSFW groups, public agencies, agricultural employer organizations and other interested employer organizations have been given an opportunity to comment on the AOP.

The PRDOLHR provided the opportunity for all interested parties to review and comment on the draft AOP. The organizations listed below were sent the draft AOP and invited to comment; however, no comments were received. As the program year progresses and the needs of the agribusiness community evolves, the PRDOLHR will continue to work with partners of the agricultural community to explore new approaches to meeting the demands of Puerto Rico's expanding agricultural industry.

The following organizations received the draft AOP:

- Puerto Rico Department of Education (PRDE) / Migrant Education Program
- Puerto Rico Farmworker Health Program
- Puerto Rico Legal Services Farmworker Division
- Puerto Rico Department of Agriculture
- Department of Export and Commerce (PRDEDC) / WDP
- PathStone Corporation
- USDOL Wage and Hours Division
- Puerto Rico Farmers Association

VI.W-P(e)(4)(C) Data Assessment. Review the previous four years Wagner-Peyser data reports on performance. Note whether the State has been meeting its goals to provide MSFWs quantitatively proportionate services as compared to non-MSFWs. If it has not met these goals, explain why the State believes such goals were not met and how the State intends to improve its provision of services to meet such goals.

Table VI-8. Percentage of MSFW and non-MSFW served, PY 2012-2015

	2012 WP	2012 MSFW	2013 WP	2013 MSFW	2014 WP	2014 MSFW	2015 WP	2015 MSFW
1QTR	34	57	31	35	57	76	45	61
2QTR	33	56	36	27	40	56	47	61
3QTR	33	50	15	14	42	55	N/A	N/A
4QTR	35	55	46	69	43	58	N/A	N/A

Source: PRDOLHR.

VI.W-P(e)(4)(D) Assessment of progress. The plan must include an explanation of what was achieved based on the previous AOP, what was not achieved and an explanation as to why the State believes the goals were not achieved, and how the State intends to remedy the gaps of achievement in the coming year.

MSFWs contacted by outreach activities

During PY 2014, a little more than 2,200 workers were contacted, far from the 7,000 projected in the PY 2014 AOP. This was since only four Outreach workers were designated at the significant local offices due to budget constraints. In 2015, the Outreach worker at the Guayama office was lost; the office accounts for over 60% of all Outreach workers contacts.

As described in the AOP above, it is our commitment to continue reinforcing the Outreach Program to comply with regulations as required by 20 CFR 653.107, which requires PRDOLHR to operate an Outreach Program to reach farmworkers that for different reasons normally did not reach ES local offices. Our plan is to be able to provide Outreach service activities through eight career centers in agriculturally significant areas. We are still in an economic crisis and have seen Wagner-Peyser funds being reduced for the last two years. If this tendency continues, Outreach services to MSFWs will be adversely affected.

Notwithstanding the above, efforts will be made to hire and designate Outreach workers for the Arecibo, Humacao, Coamo, Guayama, and Ponce career centers to provide the whole range of service to MSFWs dwelling in these significant agricultural areas. Authorization to cover those vacancies will be evaluated in a case-by-case basis. If authorized, the PRDOLHR will be able to increase the number of MSFWs served and provide outreach services to more than half the population of farm workers that at this time cannot be reached.

Equity Performance Indicators

Notwithstanding with the lack of Outreach workers in most of the significant offices, we were able to meet the equity and minimal services indicators to MSFWs. This means that all services to MSFWs were provided in a qualitatively equivalent and quantitatively proportionate to the services provided to other job seekers. The PRDOLHR is committed to continue providing services to MSFWs at the same service level to other job seekers. The PRDOLHR will continue to overview equity and minimum service performance indicators to measure the effectiveness of the MSFW Program by Wagner-Peyser staff.

Referral of MSFWs to interstate agricultural job orders

The Agricultural Recruitment System (ARS) is operated by Wagner-Peyser within the career centers and other partners like PathStone. Although Wagner-Peyser staff is trained to make referral of workers through the Interstate Clearance System, during PY 2015 a series of events triggered the necessity of reviewing the way in which the local offices of the Employment Service were screening workers interested in being referred to those job orders.

We projected, as a requested by the USDOL Regional Office in Boston, to develop a Farmworker Workshop to be provided to MSFWs in a compulsory basis as a requirement to be referred to Agricultural Job Orders. With the workshop, we project that problems encountered by the Agricultural Employers be minimized and more workers be able to complete the Job Contract and complaints be kept to a minimum. We project to have this workshop ready by no later than June 30, 2016, to be implemented starting in PY 2016 as part of the WIOA Unified State Plan for the next four years.

VI.W-P(e)(4)(E) State Monitor Advocate. The plan must contain a statement confirming the State Monitor Advocate has reviewed and approved the AOP.

The PRDOL SMA and State agricultural staff worked together to provide feedback needed in the development of this AOP. This process afforded the SMA the opportunity to review, approve and discuss any service delivery strategy changes needed in the AOP for the upcoming planning year. The SMA is directly involved in the development of the plan and approved the plan as drafted.

Wagner-Peyser Assurances. The State Plan must include assurances that:

1. The Wagner-Peyser Employment Service is co-located with One-Stop Centers or a plan and timeline has been developed to comply with this requirement within a reasonable amount of time. (sec 121(e)(3))

2. The State agency is complying with the requirements under 20 CFR 653.111 (State agency staffing requirements) if the State has significant MSFW One-Stop Centers;

3. If a State Workforce Development Board, department, or agency administers State laws for vocational rehabilitation of persons with disabilities, that board, department, or agency cooperates with the agency that administers Wagner-Peyser services, Adult and Dislocated Worker programs and Youth Programs under Title I; and

4. State agency merit-based public employees provide Wagner-Peyser Act-funded labor exchange activities in accordance with Department of Labor regulations.

VI.II Adult Education and Literacy Programs. The Unified State Plan must include a description of the following as it pertains to Adult Education and Literacy programs under title II, the Adult Education and Family Literacy Act (AEFLA).

VI.II(a) Aligning of Content Standards. Describe how the eligible agency will, by July 1, 2016, align its content standards for adult education with State-adopted challenging academic content standards, as adopted under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, as amended (20 U.S.C. 6311(b)(1)).

The Adult Education Program assigned to the Area of Alternative Education of the Puerto Rico Department of Education (PRDE), recognizes having a leading role in the life of people who have not completed high school, need to learn English or wish to complete the process of citizenship. Despite understanding that work is different from regular programs and even a little accelerated, it does not lose perspective that the curriculum and pedagogical practices used must be constantly renewed to serve the different generations that seek the services of the Program and not diminish the educational quality with which it is expected that students face future challenges, not only academic, but all those linked to the competitiveness of the global labor market and to the continuous social changes. The commitment of the Adult Education Program is focused on providing a structured, innovative, flexible and contextualized. Curriculum in addition to being dynamic and adaptable to changes in the social system and the particular educational system in a contextualized environment.

The educational plans have been adjusted with the changes and pedagogical innovation that have arisen according to the federal program requirements. Teachers will continue to be trained for structured implementation, in order to achieve a higher level of performance. In the next few years, the efforts will be directed to the alignment of the standards and indicators of the program with the Common Core Standards recently adapted by the PRDE. It is the intention of the Program, developing the skills of the XXI century, the STEM approach, to continue with digital literacy, employability skills and occupational routes for all young, adult or disabled participants.

The scope of professional development efforts will focus on the following activities:

The hired academic facilitators are specialists in the subject that have been enriching and tempering the educational plans. These will continue to train teachers in the program's curriculum, standards and indicators, and proposed changes to update teaching for adult or disabled participants. They will highlight the need to address and develop 21st century skills, digital literacy, employability skills to achieve a transition to postsecondary level or to the workplace. They will offer training workshops, coaching and mentoring by subject and individualized technical assistance in each of the centers.

The Service Providers of each center will supervise the implementation of the curriculum of the Adult Education Program with all the requirements offered in the training for the program and achieve a better academic performance and greater preparation so that these adult participants can compete in postsecondary levels and/or in the labor market, proving to possess the particular skills that each employer needs. They will also offer technical assistance to teachers in the areas of need required.

All teachers of the Adult Program will receive specialized professional training related to the standards and indicators of the Program, activities related to the development of 21st Century skills, important for competitiveness in the global labor market, STEM, employability skills and occupational routes. In addition to this, they will be in contact with the syllabus of the program by subject, interactive exercises as a method of assessment and standardized assessment instruments for different levels and to be able to measure results. They will receive group and individual technical assistance in each of the centers.

VI.II(b) Local Activities. Describe how the State will, using the considerations specified in section 231(e) of WIOA, fund each eligible provider to establish or operate programs that provide any of the following adult education and literacy activities identified in section 203 of WIOA, including programs that provide such activities concurrently. The Unified State Plan must include at a minimum the scope, content, and organization of these local activities.

Adult Education and Literacy Activities (Section 203 of WIOA)

Adult education; Literacy; Workplace adult education and literacy activities;

Family literacy activities; English language acquisition activities; Integrated English literacy and civics education;

Workforce preparation activities; or

Integrated education and training that:

1. Provides adult education and literacy activities, concurrently and contextually with both, workforce preparation activities, and workforce training for a specific occupation or occupational cluster, and
2. Is for the purpose of educational and career advancement.

Special Rule. Each eligible agency awarding a grant or contract under this section shall not use any funds made available under this title for adult education and literacy activities for the purpose of supporting or providing programs, services, or activities for individuals who are under the age of 16 and are enrolled or required to be enrolled in secondary school under State law, except that such agency may use such funds for such purpose if such programs, services, or activities are related to family literacy activities. In providing family literacy activities under this title, an eligible provider shall attempt to coordinate with programs and services that are not assisted under this title prior to using funds for adult education and literacy activities under this title for activities other than activities for eligible individuals.

The PRDE's Adult Education program serves as the administrative/fiscal agent for Title II. As administrative/fiscal agent, the Adult Education program will ensure that service providers deliver services to eligible individuals who have attained at least 16 years of age; are not enrolled or required to be enrolled in secondary school under the Puerto Rico law; are basic skills deficient; do not have a secondary school diploma or its recognized equivalent; or are English language learners.

All activities funded under WIOA are authorized, approved and overseen by the Adult Education program. Every effort will be made to select at least one eligible provider for each local area of the workforce. The following organizations are eligible to apply for funding provided they have demonstrated effectiveness and comply with the 13 considerations established by WIOA por WIOA in providing adult education and literacy services:

- a local education agency;
- a community-based organization or faith-based organization;
- a volunteer literacy organization;
- an institution of higher education;
- a public or private nonprofit agency;
- a library;
- a public housing authority;

- a nonprofit institution that is not described in any of items A through G and has the ability to provide adult education and literacy activities to eligible individuals;
- a consortium or coalition of the agencies, organizations, institutions, libraries, or authorities described in any of items A through H
- a partnership between an employer and an entity described in any of items A through I.

The following would constitute ineligible applicants:

- Applicants that are not in compliance with the *Civil Rights Act of 1964* or those applicants that discriminate on the basis of nationality, origin, race, gender, religion, or handicap
- Applicants that are not in compliance with the *Civil Rights Act of 1964* or those applicants that discriminate on the basis of nationality, origin, race, gender, religion, or handicap, sexual orientation or gender identity, political or religious ideology, disability or physical or mental disability, being a victim of domestic violence, sexual aggression or stalking.
- Applicants lacking assurance that their religious restrictions will not be violated
- Applicants lacking evidence of capability for stable fiscal control
- Applicants lacking qualified staff, facilities, and equipment

As required by federal regulations, providers are prohibited from using federal funds to supplant state or local dollars. All federal funding will be used to enhance learner's services, as outlined in this Plan. The Adult Education program will conduct competitions under WIOA upon receiving guidance from the USDOE, Office of Career, Technical and Adult Education. Awards to eligible providers will be made available through a Request for Proposal (RFP) application process. To help ensure direct and equitable access to funds for adult literacy and basic skills activities, RFP's will be announced directly to providers and through regional media. In addition, all providers will be considered for grants based on the same criteria. These criteria are aligned with the directions contained in this Plan and the thirteen considerations required by federal legislation.

The PRDE's Adult Education program will use the following parameters to distribute funds to approved applicants:

- Not less than 82.5 percent of the grant funds will be used to award grants and contracts under Section 231 and to carry out Section 225, of which not more than 20 percent of such amount shall be available to carry out Section 225.
- Shall not use more than 12.5 percent of the grant to carry out State Leadership activities under Section 223.
- Shall not use more than 5 percent of the grant funds, or \$85,000, whichever is greater, for administrative expenses of the eligible agency.

Local grants will be distributed based on the ability to meet the following AEFLA's purposes outlined in WIOA:

- Assist adults to become literate and obtain the knowledge and skills necessary for employment and economic self-sufficiency.
- Assist adults who are parents or family members become a full partner in the in the education development of their children.
- Promote transition from adult education to post-secondary education and training through career pathways.
- Assist adults in completing high school.
- Assist immigrants and English language learners improve reading, writing, math, speaking and comprehending the English language and acquire understanding of American government, individual freedom, and responsibilities of citizenship.

VI.II(c) Corrections Education and other Education of Institutionalized Individuals.

Describe how the State will establish and operate programs under section 225 of WIOA for corrections education and education of other institutionalized individuals, including how it will fund, in accordance with the requirements of title II subtitle C, any of the following academic programs for: Adult education and literacy activities; Special education, as determined by the eligible agency; Secondary school credit; Integrated education and training; Career pathways; Concurrent enrollment; Peer tutoring; and Transition to re-entry initiatives and other post release services with the goal of reducing recidivism.

Each eligible agency using funds provided under Programs for Corrections Education and Other Institutionalized Individuals to carry out a program for criminal offenders within a correctional institution must give priority to serving individuals who are likely to leave the correctional institution within 5 years of participation in the program.

Section 225 (a) of WIOA states that from funds made available under Section 221(a)(1) for a fiscal year, each eligible agency shall carry out corrections education or education for other institutionalized individuals. The funds shall be used for the cost of education programs for criminal offenders in correctional institutions, other institutionalized individuals and for other individuals, including programs for:

- Adult education and literacy services
- Special education as determined by the eligible agency
- Secondary school credit
- Integrated education and training
- Career pathways
- Concurrent enrollment
- Peer tutoring
- Transition to re-entry initiatives and other post-release services with the goal of reducing recidivism

The PRDE's Adult Education program will reserve no more than 20 percent of its Federal grant received under WIOA to provide programs for corrections' education and education for other institutionalized individuals as described in Section 225. These funds are contracted with the PRDCR to supplement existing literacy programs and other eligible entities.

The PRDE requires that applicants providing adult education courses to participants in correctional institutions, shall give priority to serving those individuals who are likely to leave the institution within 5 years of participation in the program.

Programs will be design and shared with the correctional institutions personnel and service providers to support the access of incarcerated and formerly incarcerated individuals to life-expanding career pathways opportunities that include approaches such as dual enrollment, peer tutoring, and transition to re-entry services designed to facilitate post-release success and reduce recidivism.

Additional areas targeted through this program are: increased basic skills to obtain a high school diploma; readiness to transition successfully into the community and workforce; adult adults with disabilities literacy and adult secondary education skills; integration of digital literacy skills; English literacy courses; education and development of workforce preparation skills through coordination with vocational education; and the professional

development of adult education teachers through innovative strategies which include the development of 21st Century skills, STEM, employability skills in a contextualized environment.

VI.II(d) Integrated English Literacy and Civics Education Program. Describe how the State will establish and operate Integrated English Literacy and Civics Education programs under Section 243 of WIOA, for English language learners who are adults, including professionals with degrees and credentials in their native countries.

Pursuant to Title II of WIOA, the PRDE will integrate literacy in English with civic education (IEL/CE, as designated by WIOA). The IEL/CE Program will be established in two different ways:

1. IEL/CE may be provided by an eligible provider as a “required local activity” under Section 231(b), in accordance with its grant or contract with the PRDE to provide adult education and literacy activities that:
 - a. Prepare adults who are learning English and place those adults in unsubsidized jobs in industries and occupations in demand that lead to economic self-sufficiency; and
 - b. Integrate with the local workforce development system and its functions to carry out the activities of the program.
2. It may also be implemented as a “program” under Section 243 of AEFLA with funds allocated as described in Section 243. The IELCE/IET program under Section 243 carries additional requirements beyond what an eligible provider must comply with in the implementation of IEL/CE as a local activity under section 231(b). For a program to receive funds for IELCE/IET according to WIOA §243, it must:
 - a. Provide instruction in literacy and English language learning; civic participation and the rights and responsibilities of citizens; and training in the workforce. The activities must be provided in combination with integrated education and training activities.
 - b. Prepare adults who are English Language Learners (ELLs) for non-subsidized employment in occupations or occupational routes, which lead to economic self-sufficiency;
 - c. Assisting English language learners to achieve proficiency in reading, writing, speaking and comprehension of;
 - d. Direct the adult to a high school diploma or its equivalent (Equivalency Exam);
 - e. Direct English language learners to enter postsecondary education or training; and
 - f. Offer education for adults in combination with integrated education and training (IET, for its acronym in English)

Both services will include instruction in literacy and English language acquisition and instruction on the rights and responsibilities of citizenship and civic participation, and might include workforce training. The teaching will integrate a comprehensive civic participation component into English Literacy. IEL/Civics project will stress contextualized learning in which language and literacy are developed through practical, immediately relevant, thematic units around civics education that is integrated into the skill areas of English reading, writing and speaking in English.

Describe how the State will fund, in accordance with the requirements of title II, subtitle C, an Integrated English Literacy and Civics Education program and how the funds will be used for the program.

The Commonwealth of Puerto Rico will take all necessary steps and will implement an RFP process to ensure and equitable access for grants, and will incorporate the considerations of Section 231 of Title II of WIOA. The RFP will set forth additional priorities for the use of IEL/Civics funds aligned with the scope and federal requirements governing IEL/Civics programming.

VI.II(e) State Leadership. Describe how the State will use the funds to carry out the required State Leadership activities under section 223 of WIOA.

The PRDE's Adult Education program will work collaboratively with other core programs and partner's agencies to expand access to education, training and employment opportunities for adults, youth dislocated workers, people with disabilities and individuals facing barriers to employment, thus contributing to further our economic development. The Adult Education program will provide resources and services through One-Stop Centers that include orientation for Adult Education program opportunities, career pathways, transition resources, referral processes, and other joint mechanisms developed through agency partnerships.

The PRDE Adult Education Program will develop the following activities under section 223 of WIOA:

- **Development of career pathways to provide access to employment and training services for individuals in adult and adults with disabilities education and literacy activities**

The PRDE is committed to improve, expand and create adult education programs that include adult education Career Pathways and transitioning opportunities to postsecondary programs. The PRDE is aware that a substantial gap exists between the skills of the labor force and the needs of employers in many high-growth industries, including healthcare, technology and manufacturing. This gap results in unemployment while well-paying jobs go unfilled and, at the same time, many low-

skilled adults persist in low-wage work with little opportunity for advancement. Career Pathways programs aim to address the economy's vital need for skilled workers while offering low-wage workers the opportunity to obtain education and training they need to succeed and be able to be competitive in the global labor market.

In order to achieve these goals, our Career Pathways approach offer low-skilled adults and adults with disabilities well articulated training and employment steps targeted to locally in-demand jobs combined with promising instruction approaches and supportive services. This approach presupposes that post-secondary education and training should be organized as a series of manageable steps leading to successively better credentials and employment opportunities in growing occupations. Each step is designed to prepare participants for the next level of employment and education and also to provide a credential with labor market value. To effectively engage, retain, and facilitate learning, the program will integrate the following four core elements:

- Comprehensive assessment
- Promising approaches to basic and occupational skills
- Academic and non-academic supports
- Strategies for connecting participants to employers

Individual programs vary in terms of emphasis placed on each core component, although all are comprehensive in nature to address the learning and life challenges facing adult participants. The PRDE's Career Pathways program will include partnerships with multiple providers, including community based organizations, community and technical colleges, human services and workforce agencies, and employers and their representatives. The PRDE's Career Pathways program will be designed to allow entries, exits, and re-entries at each stage, depending on skill levels and prior training, employment prospects, and changing personal situations.

The Career Pathways program will have the following main components:

- For those participants with skill levels too low to meet entry requirements, basic and occupational skills instruction will be delivered concurrently to support accelerated entry into college-level occupational training programs and credentials.
- Instructors overlap, at least fifty percent of the time, integrated basic skills and occupational training instruction, allowing participants to build knowledge about the industry while increasing their basic skills in addition to develop the skills of the XXI Century.

- Participants will be exposed to work environments through a diversity of instructional tools including but not limited to labs, internships and clinical placements.
- A range of academic and non-academic supportive services will be made available to help participants persist in their programs, such as: guidance and assistance to apply for available financial resources; access to standard college support services such as tutoring and the career center; and employment connections to local industry and access to college career centers.

The PRDE is aware of the challenges associated with the development of connections to Career Pathways and the establishment of partnerships; the significant investment of time and effort necessary for the design and implementation of key ABE pathways components for the recruitment of participants; the development of basic skills courses and high quality professional development programs needed; and the collection and analysis of data. Therefore, considers the development of Career Pathways to be an endeavor, which will have to be tackled in phases during the course of - following years years comprised by the Unified State Plan for the PRDE to be successful.

- **High quality professional development programs to improve the instruction provided.**

Aware of the importance that greater understanding and knowledge of Adult Career Pathways is crucial to a successful implementation, the PRDE is committed to develop high quality instructional content, professional development activities, and support services needed for the design and implementation of the Adult Career Pathways, which will help teachers/instructors better understand the career pathways systems and expand their professional knowledge.

Areas and themes related to the development and delivery of career pathways systems that would help low-skilled adults transition into postsecondary education and employment or with disabilities, include the following:

- Design of Contextualized Instruction, including the STEM approach and 21st Century skills.
- Integration of Employability Skills into the Classroom
- Integration of technology in the classroom.

- Training of Adult Education program faculty in Curricula Content Standards associated Indicators, Suggested Classroom Activities and lessons guides, Assessment Rubrics and the Evaluation Guides for all academic themes
- Integration of Career Pathways into the Adult Education program curriculum-framework
- Integration of Career Counseling and Planning into Adult Education
- Focusing participants on Career Pathways
- **Provision of technical assistance to eligible providers of adult education and literacy activities**

The scope of this effort will include:

- Technical assistance in the curriculum thematic areas
- Academic supervision to offer mentoring and coaching in both contents and Andragogy process.
- Training and technical assistance in the integration of digital literacy skills into all adult education and literacy activities.
- Training on the administration of pre and post tests standardized by the National Reporting System (NRS) and the descriptors of each level of functioning, used to measure educational gain.
- Training on the monitoring of achievements of the core measures for the NRS.

It is imperative that Adult Education program providers are integrated in the PRDE's efforts in designing and implementing the Career Pathways systems, and to be provided with concise information, definitions, historical perspectives, and practical ideas about how Career Pathways can be used to improve student achievement.

- **Monitoring and Evaluation of the quality of, and the improvement in Career Pathways Activities.**

Ongoing data collection and analysis are essential in supporting the design, implementation, and evaluation of Adult Basic Education Career Pathways, including the following activities:

- In the planning stages, the program will conduct an analysis of labor market data, which will help our Adult Basic Education program identify local workforce needs and select an occupational focus for the pathway , considering the needs of the labor market after Hurricane Maria passed through Puerto Rico.
- During the instruction period, program and participant data will provide immediate feedback on how well course objectives are being met and suggest areas for improvement, if necessary.
- Finally, data are needed at the conclusion of instruction to evaluate the effectiveness of the basic skills training and assess participant skills gains.

We realize that while some of these outcomes are measured after completion of basic skills training, other might take longer to assess as participants' progress through the pathway (attainment of certificates or degrees and job promotion or advancement). Keeping this in mind, the PRDE will develop plans to measure participant outcomes at all future educational and employment steps along the pathway, as well as the selection of appropriate assessment tools, which will provide information about the pathway program's effectiveness and to make any improvements needed to better serve pathway participants.

VI.II(f) Assessing Quality. Describe how the eligible agency will assess the quality of providers of adult education and literacy activities under title II and take actions to improve such quality, including providing the activities described in section 223(a)(1)(B) of WIOA.

All applications submitted for funding must comply with section 231, 243 and 225 and the stipulations of this Plan regarding submission of applications. In addition to those included in the application, the applicants must also comply with the following requirements:

- Submit clear and measurable goals and objectives that promote higher participant achievement and performance. Their performance levels must meet those established at the state level and negotiated at the federal level.
- Demonstrate through measurable outcomes and performance measures, their past effectiveness in helping participants attain higher literacy skills, especially at the lowest levels of literacy.
- Student performance, retention and promotion must be reported to the State, as might be required, through adult its adult information system.

- Must truly evidence they are serving the most in need (low income and low literacy and students with disabilities) through needs assessments and community analysis.
- Programs must be of sufficient intensity and duration; therefore, must meet the requirements established by the State for programs that assist participants in attaining a high school diploma, or assist in the transition to postsecondary education and training through the use of career pathways. Sufficient intensity and duration will be evidenced by an operational design that is appropriate to meet the established performance measures. The integration of prioritized literacy based workforce preparation skills and digital literacy skills in the instruction delivered under all content domains, is strongly encouraged for all programs.
- Programs must be based on adult education practices that are supported by the most rigorous or scientifically valid research available and the use of strategies that have proven to be effective and documented through research, such as career pathways, standard-based education and PRDE's Adult Education academic content standards. Proven innovative and model programs based on valid research practices will be recognized through special activities.
- Service providers must hold programs in a non-threatening environment where real life and life-long learning skills are promoted. These strategies are critical for participants to prepare for a global economy, and as productive and contributing members of the community.
- Professional development for all adult education program personnel must meet high quality standards established by the PRDE in terms of credit hours and intensity of training. The PRDE supports adult educators in learning and applying practice that are based on the most rigorous or scientifically valid research available. High quality professional development and learning opportunities is available for teachers of all experience levels.
- Local service providers must demonstrate how they will implement memorandum of understanding with all appropriate agencies such as universities, training programs, schools, employers and other government agencies to effectively coordinate services for adults in their programs.
- Local service providers must commit themselves to provide to the PRDE all required data and comply with the Student Information System. This element is essential in tracking students and assessing their performance. Local providers are being trained for data collection and submission procedures and will be required to submit all required data within the deadlines established by the Adult Education program.
- Local service providers of English Literacy and Conversational English must substantiate the need for these programs in the community, describe how their

program will effectively address participant's needs and document program outcomes.

- The Adult Education program encourages service providers to offer programs in a flexible schedule and with ample support services to enable adults to attend and complete these programs. Workplace literacy providers are required to offer flexible schedules and locations that will accommodate the needs of working adults. The Adult Education program promotes support services such as childcare and transportation, among local service providers.

Under the PRDE's Adult Education program leadership team, local providers are accountable for meeting and complying with standards of quality for administration and instruction of Adult Education programs. The effectiveness of programs, services and activities of fund recipients will be assessed through the Adult Education Program's Monitoring Unit. The unit employs the following methods to assess programs and evaluate program improvement: data reviews, monitoring visits, on-site program reviews and self-assessment of program functions and performance. Any time a program is asked for a Corrective Action Plan (CAP) to improve in a particular area, Adult Education personnel will provide on going technical assistance, professional development, and support to improve the quality of the adult education activities.

Performance accountability assesses the effectiveness of grantees in achieving continuous improvement of adult education and literacy activities. The performance outcome measures consist of the following core indicators:

- The percentage of program participants who are in unsubsidized employment during the second quarter after exit of the program
- The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit of the program
- The median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program
- The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized post-secondary credential or employment and who are achieving measurable skills gains toward such a credential or employment
- The indicators of effectiveness in serving employers established pursuant to WIOA
- Measurable skill gains (MSG)

Each fiscal year, the Adult Education program negotiates proposed target percentages for each of the core indicators of performance with the USDOE, Office of Career, Technical and Adult Education. Each local program is responsible for meeting or exceeding the negotiated performance targets.

Adult Basic Education and Literacy Programs Certifications and Assurances.

States must provide written and signed certifications that:

1. The plan is submitted by the **Department of Education**, agency that is eligible to submit the plan;
2. The **Department of Education** has authority under State law to perform the functions of the State under the program;
3. The State legally may carry out each provision of the plan;
4. All provisions of the plan are consistent with State law;
5. **The Secretary of Education** has authority under State law to receive, hold, and disburse Federal funds made available under the plan;
6. **The Secretary of Education** specified by the title in the certification, has authority to submit the plan;
7. The **Department of Education** has adopted or otherwise formally approved the plan; and
8. The plan is the basis for State operation and administration of the program;

(Signature)

Julia Keleher

(Typed Name of Signatory)

(Date)

Secretary

(Title)

The State Plan must include assurances that:

1. The **Department of Education** will expend funds appropriated to carry out title II of the Workforce Innovation and Opportunity Act (WIOA) only in a manner consistent with fiscal requirements under section 241(a) of WIOA (regarding supplement and not supplant provisions);
2. The **Department of Education** will ensure that there is at least one eligible provider serving each local area, as defined in section 3(32) of WIOA;
3. The **Department of Education** will not use any funds made available under title II of WIOA for the purpose of supporting or providing programs, services, or activities for individuals who are not “eligible individuals” within the meaning of section 203(4) of WIOA, unless it is providing programs, services or activities related to family literacy activities, as defined in section 203(9) of WIOA;
4. The Integrated English Literacy and Civics Education program under section 243(a) of WIOA will be delivered in combination with integrated education and training activities;
5. The Integrated English Literacy and Civics Education program under section 243(a) of WIOA will be designed to (1) prepare adults who are English language learners for, and place such adults in, unsubsidized employment in in-demand industries and occupations that lead to economic self-sufficiency and (2) integrate with the local workforce development system and its functions to carry out the activities of the program; and
6. Using funds made available under title II of WIOA to carry out a program for criminal offenders within a correctional institution, the **Department of Education** will give priority to serving individuals who are likely to leave the correctional institution within five years of participation in the program.

The State Plan must include assurances that:

7. The **Department of Education** will expend funds appropriated to carry out title II of the Workforce Innovation and Opportunity Act (WIOA) only in a manner consistent with fiscal requirements under section 241(a) of WIOA (regarding supplement and not supplant provisions);
8. The **Department of Education** will ensure that there is at least one eligible provider serving each local area, as defined in section 3(32) of WIOA;
9. The **Department of Education** will not use any funds made available under title II of WIOA for the purpose of supporting or providing programs, services, or activities for individuals who are not “eligible individuals” within the meaning of section 203(4) of

WIOA, unless it is providing programs, services or activities related to family literacy activities, as defined in section 203(9) of WIOA;

10. The Integrated English Literacy and Civics Education program under section 243(a) of WIOA will be delivered in combination with integrated education and training activities;
11. The Integrated English Literacy and Civics Education program under section 243(a) of WIOA will be designed to (1) prepare adults who are English language learners for, and place such adults in, unsubsidized employment in in-demand industries and occupations that lead to economic self-sufficiency and (2) integrate with the local workforce development system and its functions to carry out the activities of the program; and
12. Using funds made available under title II of WIOA to carry out a program for criminal offenders within a correctional institution, the **Department of Education** will give priority to serving individuals who are likely to leave the correctional institution within five years of participation in the program.

1. SF424B - Assurances – Non-Construction Programs

(<http://www2.ed.gov/fund/grant/apply/appforms/appforms.html>)

2. Grants.gov - Certification Regarding Lobbying

(<http://www2.ed.gov/fund/grant/apply/appforms/appforms.html>)

3. SF LLL Form – Disclosure of Lobbying Activities (required, only if applicable)

(<http://www2.ed.gov/fund/grant/apply/appforms/appforms.html>)

VI.VR Vocational Rehabilitation

The Vocational Rehabilitation (VR) Services Portion of the Unified State Plan must include the following descriptions and estimates, as required by section 101(a) of the Rehabilitation Act of 1973, as amended by WIOA:

VI.VR(a) Input of State Rehabilitation Council. All agencies, except for those that are independent consumer-controlled commissions, must describe the following:

VI.VR(a)(1) input provided by the State Rehabilitation Council, including input and recommendations on the VR services portion of the Unified State Plan, recommendations from the Council's report, the review and analysis of consumer satisfaction, and other Council reports that may have been developed as part of the Council's functions;

The following 24 Normative Communications of the PRVRA were reviewed by the State Recently, the State Rehabilitation Council (SRC) received, from the Vocational

Rehabilitation Administration (VRA), copies of the written administrative directives sent by that agency during PY 2017, and part of PY 2018. SRC's Legislation and Public Policy Committee began a reading and analysis process with the goal of being able to submit pertinent recommendations.

During PY 2017, SRC provided orientation to approximately 57 Vocational Rehabilitation Counselors, regarding the Americans with Disabilities ACT (ADA) and about SRC itself.

During 2016 and 2017, and upon a request from SRC and the VRA, the University of Puerto Rico's Graduate School of Rehabilitation Counseling [CORE - the Spanish acronym] at the Río Piedras Campus, carried out a statewide assessment on vocational rehabilitation needs of people with disabilities in Puerto Rico (PR). Specific goals and objectives were aligned among SRC's representatives, the Vocational Administration and CORE. A summary of theme methodology, findings, and recommendations detailed in Section (j) of the Rehabilitation Services Portion in the plan were presented to the VRA Administrator at the Vocational Rehabilitation office, his staff, and Special Education Assistant Secretary at the PR Department of Education.

Some of the recommendations from SRC's to the Special Education Assistant Secretary, based on the needs survey, were as follows:

- To revise the Transition Handbook according to the identified needs in the students with disabilities population and the transition services new trends.
- To revise the transition protocols, particularly, those related to interagency coordination between VRA and the Department of Education. This, in order to make it easier for the Transition Analysts and the Vocational Rehabilitation Counselors' to participate in the Programming and Placement Committee meetings (COMPU, by it acronym in Spanish) meetings.
- To train Special Education teachers on pre-employment and independent living skills. Those trainings could be available on internet.
- To familiarize teachers, other school system components and parents with the services provided by WIOA components (programs under Titles I, II and III of such law) and how to benefit from them.
- To revise curricula and emphasize on practical experiences for students (be it job apprenticeships with on-site visits or job shadowing, or direct job experiences to explore job interests or trial-work experiences) and other needed skills for job placement, as well as to provide counseling for occupational exploration.
- To review the established protocols regarding evaluation services for assistive technology and therapy, in order to ensure effectiveness. This protocol must be uniform and accessible.
- To educate staff regarding the community's culture and vocational potential of students with visual impairments, deaf, autism and significant disabilities, among others.

- To inform parents of “*Home Schooling*” students regarding the transition process and the importance of students having inter-social skills and learn how to work in groups.
- Create curriculums with emphasis on communication skills, money management, appropriate conduct and work experience for youth in juvenile institutions.
- To integrate Vocational Rehabilitation Counselors inside schools, because these professionals have the education needed to deal with such disabilities.

The following are updated recommendations regarding VRA services:

Regarding the coordination with Department of Education officials.

According to the Needs Assessment, it is recommended that the VRA strengthen its ties with the Department of Education, in order to find alternatives that would make it possible to increase the number of VRA Transition Analysts and Rehabilitation Counselors at the COMPU meetings (ex. COMPU meeting coordination with the Department of Education the entire year). SRC also recommends that the Department of Education to take back and review of Transition Handbook by inviting the VRA and SRC to play a more active role in the process.

Regarding evidence while collaborating to provide services on job retention and extended services.

The recommendations and suggestions from SRC are as follows:

- Coordinate between VRA and SRC, so that the later may be able to provide support and training to those who provide front-line, direct services to VRA customers.
- That VRA identify other community resources with which to train their front-line staff.
- That as part of the case-management procedures at the VRA, cases regarding job retention for consumers be referred to those offices offering the support and coordination of medical services within the community, as well as any other (supportive and extended) service that guarantees employment stability and independent living. SRC recommends that an official, written norm be developed to that effect, using “*Comunicación Normativa Número 2011-19*” as reference.

Regarding the results of the Needs Assessment’s for Rehabilitation Services of people with disabilities, and also, regarding certain goals and strategies for the VRA.

In addition to the recommendations and results previously mentioned from the “*Estudio Abarcador de Necesidades de Servicios de Rehabilitación*” [Extensive Needs Assessment for Rehabilitation Services], the following recommendations are made:

1. To increase from one (1) to three (3) Transition Analysts by region, if the fiscal situation permits. (Related to Goal 2, Second Strategy)

2. To establish a formal agreement with the Department of Education, so that PEI reviews are performed the entire school year, and to make it easier to participate and intervene from the VRA's standpoint. (Related to Goal 2, Second Strategy)
3. To create informative material directed to students that are or will be on their way to post-secondary education, so that they will know the documents and processes (check list or vignette) needed to request or receive certain services in such educational institutions (ex. reasonable accommodations, tutorships). (Related to Goal 2)
4. To prepare a Service Directory of VRA's services available by region and be accessible in the VRA's home, web page. At present, the web page mentions services but does not mention what the available services are per region. (Related to Goal 4, Second and Fourth Strategies)
5. To establish a formal cooperation agreement with Wagner-Peyser services, so that said programs integrate VRA staff in every activity or meeting held with employers. VRA staff may inform them about the inclusion of persons with disabilities in the workplace scenario, ADA, and VRA services for employers in order to promote the inclusion and employment retention of people with disabilities, among others. (Related to Goal 4, Third Strategy; Goal 3, First Strategy; and Goal 1, Fourth Strategy)
6. To make a list of inclusive employers in order to recognize their efforts publicly. (Related to Goal 3)
7. Make public the dissemination of VRA services by employing informative capsules published in all media and/or social networks. (Related to Goal 4, Fourth Strategy)
8. To establish alliances to inform groups such as the Federation and Association of Mayors, about VR services to promote the dissemination of the VRA services in their Municipalities. (Related to Goal 4)
9. VRA is to establish alliances to inform the Association of Home Schools [contacted through the Department of Education] and private schools, among others, about VR services and the eligibility criteria. (Related to Goal 2, Sixth Strategy)

Regarding the goals and plans to distribute Title VI, Part B funds.

SRC recommends that the VRA conducts a survey for Community Rehabilitation Programs' staff who provides direct service to VRA consumers, in order to know their current needs for training or strengthening of knowledge and skills. Once the results are known, they must be shared with SRC so that the Council can collaborate in the identification of possible professional-training resources.

SRC also recommends that the VRA, in order to maximize resources at their Independent Living Centers, provide support to their supported employment customers. VRA must

improve their coordination efforts regarding medical as well as any other necessary service, to guarantee their stability in employment and independent living, as previously mentioned.

Other observations regarding state strategies.

Goal 1: As for the Third Strategy, SRC recommends VRA explore training needs of the CRPs and consider how SRC may help support them, as previously stated.

The Sixth Strategy establishes that VRA is to share with SRC the written normative communications [*Comunicaciones Normativas*] regarding service delivery. Regarding this point, SRC recommends VRA to submit communication drafts beforehand for review and suggestions, before signed and distributed to VRA staff. Drafts may have time-limit instructions to react without affecting the ARV in the implementation of its public policy. SRC should also be available to collaborate with the VRA during projects' public hearings, before any legislation impacts VRA applicants/participants.

Goal 1: With the goal of providing support to the services rendered to applicants/consumers at the VRA, SRC recommends VRA to identify service providers within specific geographic areas, specifically those that are not available at the VRA. (Ex. evaluation and training regarding orientation and mobility, in the Southern part of the Island, among others)

Goal 2: SRC recommends that the VRA let SRC send some of their representatives to their Pre-employment Transition workshops, enabling SRC to make additional recommendations.

Goal 4: The Second and Fourth Strategies mention dissemination activities. Regarding these, we may mention that SRC gave the VRA some orientation during 2017 and participated in a variety of dissemination activities, according to SRC's Annual Achievement Report.

Regarding the evaluation and progress reports on Title I funds for innovative and expansion activities.

SRC is aware that employment for people with disabilities has been affected by the Island's economy and labor market. It is urgent and necessary to continue to emphasize the implementation of innovative strategies. We reiterate the need to continue VRA's efforts toward servicing not only for regular employment, but also for supported employment; and promote entrepreneurship among consumers that meet the eligibility standards profile, and receive rehabilitation services that lead toward self-sufficiency.

VI.VR(a)(2) the Designated State unit's response to the Council's input and recommendations; and

The VRA accepts PRSRC's recommendations on VRA's portion of the State Unified Plan and places forth the following reactions:

Regarding the Department of Education's coordination officials

Since March of 2017, the VRA has been involved in coordinating transition services for the students with disabilities referred to the agency. Strategies and activities have been created in order to comply with federal and state laws, among which are the following:

1. VRA staff attends the Consulting Committee meetings, established in Law 51, and actively participates in the development of strategies for the transition services including revision of the Transition Handbook.
2. Regarding an increase of VRA's Transition Analysts and Rehabilitation Counselors participation in COMPU meetings, VRA staff, Mr. Eliezer Ramos Parés, Special Education Secretary, and the Department of Education employees have evaluated certain alternatives among which are: teleconferences, virtual resourcing, or others, such as written consultations.
3. VRA, in its search to comply with WIOA, has purchased the PR SAM Sample (Puerto Rico Skills Assessment Module) and the CIRINO Gerena Electronic Vocational Interest tests that will allow VRA to offer career exploration services to transition students between 14 to 21 years of age, and who are receiving, or have received, special education or Section 504 services under the Rehabilitation Law of 1973, as amended.
4. A Work-based Learning Experience was offered to 58 students with disabilities under 6 private employers in June of 2017.
5. In August of 2017, a service fair was held for students with disabilities under the Career Exploration Counseling category.

Regarding evidence of collaboration for the provision of supported employment and extended services

- Centers of Support and Employment Modes (CSEMs) provide trainings to Community Rehabilitation Programs (CRPs) staff during the year, as requested by them, and according to the needs as identified. CSEMs staff is competent and has the necessary experience in order to responsibly give these services to the CRPs. However, there is the possibility that some training topics can be identified that, according to the analysis and identification of needs presented by the PRC, the Office of Support and Employment Modes (OSEM) can favorably consider that

other non-VRA resources, such as the State Rehabilitation Council (SRC), be the ones to provide them.

- Regarding Supported Employment and Extended Services delivery process, it's the role of the Centers of Support and Employment Modes (CSEMs) and the Office of Support and Employment Modes (OSEM) to provide such training and orientation to CRPs staff.
- To refer Supported Employment consumers over to the Independent Living Centers may be considered as favorable, if the services were to be provided as the product of a Cooperative Agreement, and in other words, at no cost to the VRA.

Regarding the results of the vocational rehabilitation services needs assessment for people with disabilities; and VRA's goals and strategies

- VRA has the goal to increase the amount of Transition Analysts (TA) in each region, but due to the fiscal situation, alternatives are being sought in order to comply with the Island's transition service needs.
- VRA has established in a number of meetings that PEI reviews should be conducted during the school year, especially because of the lack of human resources able to cover the Island's schools. Department of Education staff has indicated that PEI discussions regarding these reviews are associated with the Rosa Lydia Vélez lawsuit.
- The recommendations to create simple, informative materials for students, in or directed toward post-secondary education, is favorable, however through the Vocational Rehabilitation Counselors and their support staff, the regions have already created several documents related to those topics.
- Regarding the recommendation of preparing an available service directory by region, it's important to indicate that the VRA's services are not performed by region. Since 2011, five assistive technology areas in Bayamón, Arecibo, Mayaguez, Ponce and Caguas have been located at the Evaluation and Adjustment Centers/Units to offer evaluation services, equipment demonstration, and training. These services are given by certified professionals in Assistive Technology and/or with proven experience. Purchased equipment allows for AT need evaluations under the following categories: visual, audio, communication, independent living, computer access and ecological controls. Regarding San Juan's Evaluation and Adjustment Unit, it was strengthened by upgrading the equipment there. The same goes for the audiology clinics in San Juan, Arecibo and Ponce, strengthened with newly-purchased equipment that allows for evaluations in audiology, diagnostics in audio-related conditions as well as evaluations in assistive technology needs.

The PRVRA has four (4) services for the blind areas, located at the Evaluation and Adjustment Centers in San Juan, Toa Baja, Arecibo and Caguas, where the Mayaguez and Ponce consumers are serviced, depending on consumer residential address.

- To develop a cooperative agreement with Wagner-Peyser Programs is a favorable recommendation, so that CSEM staff may participate in activities/services to employers, widening the scope of Employer Bank, and strengthening it.
- CSEM already has an established employers network that increases as they continue their visits; currently, they are not doing public reconnaissance for lack of funds. As an alternative, social networks, including the VRA web page, might be used in coordination with the communication office area for publicizing, if employers authorize it.

We have to mention that the CRPs, with their own funds, make recognitions to employers that hire or cooperate more in ecological evaluations.

- Regarding the dissemination recommendations, these are positive ones. However, the agency is active in social media and other sources, and in this way information about the VRA services and success stories has been provided.
- Regarding the recommendation of contacting the Association and Federation of Town Mayors, we appreciate SRC's suggestion; however, through the Counseling Service Centers [*Enlace Comunitario*], the Office of Support and Employment Modes, and the Centers for Support and Employment Modes, the Agency have kept close communication with all of the municipalities regarding VRA service dissemination. VRA is actively taking part in service and job fairs. On the other hand, as core partners of the American Job Centers (AJCs) staff is very well kept informed about VRA services.
- Transition Analysts give orientation about VRA services in private schools, upon their request. Regarding the Home Schooling Association, the suggestions will be accepted and attended.

Regarding goals and plans for the use of Title VI, Part B funds

- We accept the recommendation but further recommend that the Quality Control and Programmatic Management Office (QCPMO) carry out a survey on staff-training needs, at the CRPs.
- Regarding maximizing the Independent Living Centers, it is important to point out that the agency counts with professionals that once they learn of community or medical service needs for supported employment consumers, they immediately perform the pertinent coordination efforts in order to guarantee job-retention.

Regarding state strategies

- Goal 1: Regarding the 3rd strategy of this goal, although is favorable the recommendation of identify other providers for areas where services are not available at the VRA facilities, the agency is involved in hiring professionals under contract, to fulfill this need. It is important to indicate that the orientation and mobility evaluation and training services in the Southern part of the Island are being coordinated within the Caguas and Arecibo regions.

Regarding the 6th strategy, VRA will send to the SRC, those policymaking documents that requires SRC's reviewing and recommendations.

- Goal 2: VRA staff is evaluating the quality in the workshops given in schools. The cooperative agreement between the Department of Education and the VRA for these purposes states that the VRA will send in their staff to evaluate services. However, for the fairs, SRC's participation may be coordinated for more comments.

VI.VR(a)(3) the designated State unit's explanations for rejecting any of the Council's input or recommendations.

Explanations are integrated in the previous section of the Designated State unit's response to the SRC's input and recommendations.

VI.VR(b) Request for Waiver of Statewideness. When requesting a waiver of the statewideness requirement, the designated State unit must identify the types of services to be provided by the program on a non-statewide basis. The waiver request must also include written assurances that:

When requesting a waiver of the statewideness requirement, the designated State unit must identify the types of services to be provided by the program on a non-statewide basis. The waiver request must also include written assurances that:

VI.VR(b)(1) a local public agency will provide the non-Federal share of costs associated with the services to be provided in accordance with the waiver request;

Not applicable.

VI.VR(b)(2) the designated State unit will approve each proposed service before it is put into effect; and

Not applicable.

VI.VR(b)(3) requirements of the VR services portion of the Unified State Plan will apply to the services approved under the waiver.

Not applicable.

VI.VR(c) Cooperative Agreements with Agencies Not Carrying Out Activities Under the Statewide Workforce Development System. Describe interagency cooperation with and utilization of the services and facilities of agencies and programs that are not carrying out activities through the statewide workforce development system with respect to:

VI.VR(c)(1) Federal, State, and local agencies and programs;

The PRVRA has collaborative agreements with the following agencies, corporations and programs not carrying out activities under the Statewide Workforce Development System:

University of Puerto Rico

The PRVRA coordinates the placement in its own agency of internship as well as practicum students of the Master's Degree program in Rehabilitation Counseling. These students are a potential human resource to be recruited once their professional credentials are completed. Also, the Graduate School of Rehabilitation Counseling carried out the *Comprehensive Assessment of Vocational Rehabilitation Needs* during 2016-2017.

The PRVRA has VR counselors placed in the facilities of the Río Piedras and Mayagüez campuses of the UPR for the provision of services to eligible students. The ARV also maintained a collaborative agreement with the Humacao Campus and the Medical Sciences Campus of the UPR until July 2017 so that Occupational Therapy students will carry out practices in the ARV.

State Insurance Fund Corporation

The PRVRA maintains a *Contractual Agreement of Comprehensive Action for the Rehabilitation of Injured Workers* under the SIFC. Act 182-1951, as amended, authorizes the SIFC to invest in the vocational rehabilitation of its beneficiaries who have disabilities for work. The PRVRA receives an annual allocation of funds of \$600,000, which is used to match federal funds.

Institute of Developmental Disabilities

The PRVRA maintains collaboration with and representation in the IDD in order to meet the service needs of the population with developmental disabilities. It has participated in activities aimed at the population with autism, which were coordinated by the IDD.

Caribbean Planning and Work Incentive Assistance Program

The PRVRA will refer to this program those consumers who are beneficiaries of the Social Security Disability Insurance in order to receive the counseling service needed for benefits planning.

Department of Veterans Affairs

The PRVRA participates in activities and meetings coordinated by this agency, in order to offer referred eligible veterans with disabilities access to the various services available to achieve competitive employment.

State Independent Living Council (SILC)

The PRVRA, SILC and independent living centers promote collaborative actions with other public or private organizations that offer services to the population with significant disabilities. They also join efforts to increase the opportunities for community support services for such population. The Normative Communication No. 2011-19 establishes the referral procedure to the independent living centers of those disabled persons who are not eligible for services under Title I, but who could benefit from services provided in such centers. The PRVRA allocates funds to the SILC for its operations under the Innovation and Expansion Section.

Department of Health - Division of Services for People with Intellectual Disability (DSPID)

The DSPID is based on a *Community-Based Service Plan*, whose main focus is the deinstitutionalization of people with intellectual disabilities. The PRVRA offers orientation to the staff of the DSPID and provides services to referred individuals who are eligible.

State Council on Developmental Disabilities

PRVRA supports and participate in activities related to services for people with developmental disabilities. Also attends to assigned work committees.

Private IHE and Non-Profits

Carlos Albizu University. The PRVRA maintains a collaborative agreement with this university for the practicum of psychology students in our facilities.

Bayamón Central University (UCB, by it's acronym in Spanish), and Catholic University of Puerto Rico. The PRVRA maintains collaborative agreements with these universities for the placement in our facilities of practicum and internship students of Master's Degree in Rehabilitation Counseling, Bachelor's Degree in Rehabilitation, and Vocational Evaluation Certification (UCB).

Interamerican University, Ponce Campus. The PRVRA maintains collaborative agreements with this university for the practicum of occupational therapy students in our facilities.

VI.VR(c)(2) State programs carried out under section 4 of the Assistive Technology Act of 1998;

The PRVRA has representation in the Advisory Council of the PRATP in order to exchange professional knowledge and to continue referring consumers who could benefit from services such as building and adaptation of equipment, among others.

The Assistive Technology Advisory Council of Puerto Rico (PRATP, by its acronym in Spanish) is composed by members representing government agencies and people with disabilities representing the public interest. PRVRA's participation in that Council is mandatory. The main function of the Council is to respond and represent people with disabilities for the establishment, implementation and evaluation of the Program, in order to facilitate information, availability and access to assistive technology (AT). The Director of the PRVRA's Avaluation and Adjustment Office is the agency's representative at the Council. VRA's participation consists in attending meetings to:

- Provide information to facilitate changes or current processes improvement for AT service delivery to people with disabilities
- Facilitate coordination of VRA consumers in the AT Annual Needs Assessment
- Offer recommendations for plan development in order to address AT needs, plans implementation and results evaluation
- Share with members of the Council information about training opportunities on AT topics (forums, symposiums, conferences, etc.)
- Share information about local and federal legislation regarding AT services

VI.VR(c)(3) Programs carried out by the Under Secretary for Rural Development of the Department of Agriculture;

At the moment, the PRVRA is not using services, facilities or a program carried out by the Under Secretary for Rural Development of the US Department of Agriculture; nor is utilizing services and facilities of agencies and programs with respect to state use contracting programs.

VI.VR(c)(4) Non-educational agencies serving out-of-school youth; and

In 2016 a collaborative agreement was signed between PRVRA and Job Corps (JC). The purpose is to serve out-of school youth who may benefit from services of one or both programs and establishes the following:

- PRVRA will refer to Job Corps out-of-school youth who might benefit from their services (including training), and Job Corps will also refer individuals to PRVRA.
- PRVRA will send to JC reports about eligibility determination on those referrals.
- JC may provide information/training to VRA staff regarding services available at JC and any other topic identified or beneficial to both parties.
- PRVRA and JC will provide services island wide, according to their resources.

VI.VR(c)(5) State use contracting programs

Not applicable.

VI.VR(d) Coordination with Education Officials. Describe:

See below.

VI.VR(d)(1) The designated State unit's plans, policies, and procedures for coordination with education officials to facilitate the transition of students with disabilities from school to the receipt of VR services, including pre-employment transition services, as well as procedures for the timely development and approval of individualized plans for employment for the students.

The designated State unit's plans, policies, and procedures for coordination with education officials to facilitate the transition of students with disabilities from school to the receipt of VR services, including pre-employment transition services, as well as procedures for the timely development and approval of individualized plans for employment for the students.

In Puerto Rico, Act 51-1996, as amended, provides for the coordination between the Assistant Secretariat of Comprehensive Educational Services for Persons with Disabilities of the PRDE, and the PRVRA, among other agencies. In terms of the public policy and practices for the development and implementation of the IPE, the PRVRA has established a protocol in accordance with federal regulations (34 CFR 361.22(a)(2)). Before the student with disabilities exits the school system, a Written Intervention Plan (WIP), or IPE, must be developed. Its purpose is to formalize the management of the VR services provision process in coordination with educational agencies. This plan includes:

- Application of guides and programmatic procedures for the provision of services
- Beginning and ending date of services
- Employment outcomes (regular employment, supported employment, self-employment or any other innovative option)
- Projected date for the achievement of the employment outcome
- Analysis to evidence the functional limitations of the consumer in relation to the employment outcome, outcomes of informed choice and the programmed services
- Recommended VR services which are necessary to achieve the selected employment outcomes
- Comparable services and benefits
- Costs of services
- Evidence of the financial participation negotiated between the VR counselor with the consumer/family, as applicable
- Evaluative criteria
- Specific responsibilities of the PRVRA
- Responsibilities of the consumer/representative
- Coordination with educational agencies
- Signatures of the parties and dates when plan is developed and approved

- Evidence in the IPE of the participation of the consumer (his own words) regarding the informed choice process, self-management, and others actions taken during his VR process

In addition, the IPE contains those transition services that could be provided to the disabled student, under the sponsorship of the PRVRA, while participating from the educational services of the PRDE, and after exhausting the available comparable services and benefits. The following is a description of such services:

- Career exploration
- Vocational counseling
- Orientation, postsecondary education (university level options and summer camp programs, among others)
- Assessment of vocational interests, capabilities and pre-employment skills
- Evaluation with an ecological approach
- Workshops and job readiness orientation (job skills, job interviews and drafting of a resume, among others)
- Vocational training/post-secondary education
- Supported employment services
- Transportation, including training on the use of public transportation
- Mentoring
- Self-management
- Use of auxiliary aids and services (assistive technology equipment/devices and services)

The activities regarding shared responsibilities under the interagency agreement between the PRVRA and the PRDE can be described as follows:

- During each school year, the transition analysts carry out visits to various schools for the provision of orientation to the school staff, students and parents on VR services, eligibility criteria and referral process to the PRVRA.
- The PRDE shares basic information on the disabled student, in accordance with the confidentiality criteria established under federal/state laws and regulations.
- The transition analyst participates in the meetings of the Programming and Placement Committee; receives the referral from the PRDE and channels it to the VR counselor, who determines eligibility/ineligibility to VR services.
- The VR counselor informs to the transition analyst, in writing, the determination taken in regard to the referred student. Then, the transition analyst informs the outcome of said determination to the school official.
- The VR counselor evaluates the disabled youth's capability towards the achievement of either an employment outcome or a more independent living.
- The VR counselor, with the participation of the disabled youth, his family or representative, develops the IPE; in accordance with the needs of the youth and

taking into consideration the services included in the WIP or IPE prior to his exit of the school system.

- The transition analyst gathers statistical data showing the following: orientations provided to school staff, students and parents; meetings of the Programming and Placement Committee; students referred to the PRVRA by the PRDE; and eligible students.
- The transition analyst participates, if necessary, in the drafting of the IEP by recommending areas to be worked on during the transition stages.

The PRVRA recognizes the importance of the transition process in the youth with disabilities and will maintain its commitment in that it is carried out in accordance with federal and state regulations.

The PRVRA is developing with the PRDE joint activities in order to strengthen the provision of transition services in general, and especially the pre-employment services to those youth with the most significant disabilities, as stated in WIOA.

VI.VR(d)(2) Information on the formal interagency agreement with the State educational agency with respect to:

As mentioned in the previous section, Act 51-1996, as amended, provides for the coordination between the Assistant Secretariat of Comprehensive Educational Services for Persons with Disabilities of the PRDE, and the PRVRA, among other agencies. The purpose of such coordination is to ensure the transition of youth with disabilities from the PRDE to the PRVRA. This Assistant Secretariat is also responsible for the implementation of Public Law 108-446, as amended, known as the Individuals with Disabilities and Education Act (IDEA).

The PRVRA maintains communication with the aforementioned Assistant Secretariat in order to develop new strategies between agencies that result in a better provision of services. Some of the roles and responsibilities of both agencies established by law are the following:

Department of Education

- Identify the population to be referred for evaluation of the agencies concerned, according to eligibility criteria established by laws and regulations, through the procedure agreed by the agencies in the Interagency Manual for the Provision of Transition Services from School to Adult Life and Working World.
- Offer and coordinate the provision of necessary services for the transition process to the post-school life.
- Coordinate so that officials of agencies included in this agreement are able to provide orientation on the services offered by those agencies to the parents, the students and the school staff.

- Provide academic and vocational services to the population with disabilities in accordance with federal and state laws and regulations.
- Collaborate with the other subscribing agencies in their objective of providing services related to job placement and follow up in employment to the students until they reach 21 years of age or graduate from high school.
- Provide, through schools, the human resource for the development of necessary basic academic and occupational skills, according to the needs identified in vocational evaluation results and in accordance with the provisions of the IPE.
- Provide those related support and assistive technology services required for the achievement of the educational objectives of the student in the environment or school setting.
- Evaluate, together with the staff of the agencies included in this agreement, the achievements in the implementation of such cooperative agreement.

Vocational Rehabilitation Administration

- Evaluate, through the VR counselor, referred cases to determine eligibility to services, as set forth in state and federal guidelines.
- Design an IPE in accordance with the needs of persons with disabilities and current regulations.
- Collaborate and participate in the drafting and implementation of the transition plan into adulthood whenever appropriate.

The PRVRA is part of a Cooperative Agreement between the PRDOLHR and the PRDE for the Provision of Transition Services from School to Work, updated and signed in 2017. The agencies subscribing the agreement agreed to coordinate and execute the following:

- Establish an Interagency Committee with representation from both agencies that will meet regularly to provide follow up to the implementation of transition services.
- Consult and exchange information on the contents of the state plans of the subscribing agencies.
- Promote training to the staff of each agency and among agencies, as well as technical assistance for the development of transition projects.
- Foster the development of proposals that promote the acquisition of additional resources to strengthen the transition services and postsecondary school activities.
- Promote the mechanisms for the provision of integrated services.
- Carry out dissemination activities to promote the transition services for youth with disabilities, and how parents or guardians, organizations, advocacy groups and other support groups will contribute during the transition process.
- Include in the annual budgetary petition of each agency, the request of necessary funds to comply with the provisions of those laws and regulations applicable to the transition process.
- When any the subscribing agencies have the need to provide and pay for services or commitments that, under existing laws and agreements fall under the responsibility of the other agency, which did not provide these, the agency that provided the

services can request a reimbursement of its expenses to the concerned agency. If this agency does not respond within 30 days or considers the reimbursement inappropriate, any of the two parties can use the established procedure for the resolution of controversies.

- Both agencies are part of the Interagency Advisory Committee for the development and implementation of the transition services provision manual. During meetings of this committee, the PRVRA provides technical assistance related to the services provision process. In addition, the transition analysts of the PRVRA regions provide individual and group orientation to the school staff, students and parents on the services of the PRVRA, as well as on the activities that can be performed for the development of vocational skills and independent living skills. They also provide technical assistance to school staff requesting it.
- The schools are responsible of convening the VR counselors on time so that they can plan the participation in the Placement and Programming Committee (PPC), in order to ensure the continuity in the provision of services to the disabled youth as well as to develop the IPE before such youth exists the school system.

VI.VR(d)(2)(A) consultation and technical assistance to assist educational agencies in planning for the transition of students with disabilities from school to post-school activities, including VR services;

Please, refer to previous section.

VI.VR(d)(2)(B) transition planning by personnel of the designated State agency and educational agency that facilitates the development and implementation of their individualized education programs;

Please, refer to previous section.

VI.VR(d)(2)(C) roles and responsibilities, including financial responsibilities, of each agency, including provisions for determining State lead agencies and qualified personnel responsible for transition services;

Please, refer to section VI.VR(d)(2), above.

VI.VR(d)(2)(D) procedures for outreach to and identification of students with disabilities who need transition services.

1. Transition process for students with disabilities begins at schools through orientation provided by the Transition Counselor (TC) of the VRA, to teachers, students with disabilities and/or parents. As a result, meetings of the Placement and Programming Committee (PPC) take place, and decisions are made about IPE recommendations. A plan of action is developed and the TC may accept the referral of the student with disabilities.

2. The PPC compiles medical information related to the student's disability and functional level at the time of the referral.
3. The TC sends those referrals to the Vocational Rehabilitation Counselors (VRC) at the corresponding VRA regional office and coordinates VRC participation in PPC meetings of eligible students with disabilities.
4. When existing information doesn't describe the current functional level of the student, the VRC will perform a preliminary evaluation and consult with the TC as to which evaluations may be available through the Department of Education to complete the evaluation process.
5. The VRC requests medical consultant's opinion under the following situations:
 - a. When advice is needed about functional limitations caused by the student's physical or mental disability
 - b. When clarification about medical aspects of disability is needed to facilitate VRC decision making process and service planning. Eligibility determination is made by the VRC.
6. Eligibility criteria will be applied considering physical and mental functional limitations, functional capacity, vocational interests, skills, abilities, life experiences and others, identified through the evaluation stages for eligibility determination.

VI.VR(e) Cooperative Agreements with Private Nonprofit Organizations. Describe the manner in which the designated State agency establishes cooperative agreements with private non-profit VR service providers.

The PRVRA reviewed, during FY 2014, the procedure and guide to formalize contractual agreements with private nonprofit organizations. The procedure is described in the Proposal Guide to Apply for Subsidy to Offer Services to the Consumers of the Vocational Rehabilitation Administration. The agency publishes in the local press a public notice on request for proposals and provides orientation on the guidelines to those organizations interested in submitting proposals.

Currently, the PRVRA maintains contractual agreements with community rehabilitation programs (CRPs) for the provision of supported employment services to consumers with the most significant disabilities. In the proposals for the provision of supported employment, these organizations describe aspects such as: activities to be carried out, evaluation plan or instruments to be used to measure success of the project, number of consumers to be served, how the organization will comply with the placement and job retention percentage, if it has a network of employers as a source of employment or for

ecological evaluations, duration of the project, amount of funds requested and organization's available funds.

The activities to be developed must be consistent with the five stages of the supported employment service:

- Stage 1: Determination of needs
- Stage 2: Vocational preparation-supplementary assessment
- Stage 3: Placement services
- Stage 4: Training and job retention
- Intensive Phase • Moderate Phase
- Stage 5: Stabilization and closure

The organization will identify its resources in accordance with its responsibility and activity to be carried out; as well as to make evident the coordination with other agencies and community organizations for the planning of services in an integrated way.

It will develop evaluation criteria for each one of the activities designed. These activities must measure levels of independence, integration, inclusion and productivity achieved by consumers. It will also describe measurably the outcomes to be achieved or reached during the duration of the project and how the proposed project will help to reduce or minimize the employment problems and others (specifically of the geographical area to be served) identified in the Justification section of the Proposal Guide.

The PRVRA, through its staff of the Office of Support and Employment Modes (OSEM), will carry out two programmatic monitoring visits during the term of the contract. In the preliminary monitoring visit, progress of the organization will be observed and the final monitoring will determine if the organization complied with all established goals. In addition, the staff of the OSEM as well as support and employment modes' analysts, provide technical assistance to the CRPs, when necessary, throughout the services provision process.

Approval of Proposals:

All proposals received in the PRVRA will be analyzed and reviewed by the Evaluation Committee of Proposals, which utilizes the instrument (Form for the Evaluation of Proposals/Request of Title I Funds from the Rehabilitation Act of 1973, as Amended) designed to grant points in accordance with an evaluation criteria scale which adjudicates a final punctuation to all submitted proposals. Those approved proposals will be considered for the awarding of contracts.

VI.VR(f) Arrangements and Cooperative Agreements for the Provision of Supported Employment Services. Describe the designated State agency's efforts to identify and make arrangements, including entering into cooperative agreements, with other State agencies and other appropriate entities in order to provide supported employment services and extended employment services, as applicable, to individuals with the most significant disabilities, including youth with the most significant disabilities.

The PRVRA continues collaborating with other private nonprofit organizations to ensure the availability of supported employment services and the development of extended support services to the consumers with the most significant disabilities. For this purpose, it carries out contractual agreements with several community rehabilitation programs (CRPs) Island-wide. At the same time, these CRPs contracted for the provision of supported employment services have the responsibility of identifying and developing groups of parents, volunteers and other community entities that provide the extended support needed by consumers after the conclusion of the provision of services from the PRVRA and the CRP.

In the proposals submitted by the CRPs to the PRVRA, compliance measurement criteria are established in the provision of services. In addition, the job placement of consumers must comply with those quality standards of supported employment (interests/capabilities of the consumer, competitive pay, work day, integration, and continuous support, among others). The PRVRA carries out monitoring interventions to ensure the quality of services and its outcomes.

The PRVRA will continue with the contacting of the CRPs for the provision of supported employment services and extended services. It will also continue to carry out the following activities:

- Offer technical assistance to employers, when requested, to promote extended support options through orientation activities to employees/coworkers interested in collaborating with the process; and to identify available resources in the workplace and community.
- The Contracted CRPs will offer extended services to those support employment consumers, under 24 years of age, as needed and in accordance with the Rehabilitation Act amendments.

PRVRA also release a public announcement to allow community organizations to submit proposals for Supported Employment Services.

VI.VR(g) Coordination with Employers. Describe how the designated State unit will work with employers to identify competitive integrated employment and career exploration opportunities in order to facilitate the provision of:

VI.VR(g)(1) VR services; and

The PRVRA continues working with employers to identify integrated competitive employment opportunities and career exploration. To that end, it has Centers of Support and Employment Modes (CSEMs), whose staff is in charge of working with employers. Such staff contacts potential employers, as well as those who are employing people with disabilities, in order to promote employment opportunities and make available their facilities for evaluation activities and career exploration.

The CSEMs also organize training activities for employers, by which knowledge is increased in regard to the population with disabilities and the benefits of employing them, among other topics. In addition, the CSEMs participate in job fairs where information is provided on the services of the PRVRA and where qualified candidates are marketed.

The PRSRC also supports the efforts of the PRVRA by establishing contact with employers groups and committees.

VI.VR(g)(2) transition services, including pre-employment transition services, for students and youth with disabilities.

During the summer of 2017, 56 students with disabilities participated of a Work-based Learning Experience through coordination between PRVRA and employers. PRVRA will continue carrying out this type of activities during the next years.

To reach more employers, the Centers of Support and Employment Modes (CSEM) and the Office of Support and Employment Modes (OSEM) will continue to offer orientations by region to different sectors: businesses, industrial and government. We expect to obtain from those employers collaboration to identify competitive integrated employment and career exploration opportunities. Evaluation and Adjustment Centers staff of the PRVRA also performs work based evaluation processes for applicants/consumers of the VRA, including youth with disabilities, and will continue to do so with employers' collaboration.

Transition Analysts will support CSEM/OSEM to identify more schools that offer services to students and youth with disabilities as possible candidates for Supported Employment and Pre-Employment Transition Services.

VI.VR(h) Interagency Cooperation. Describe how the designated State unit will collaborate with the State agency responsible for administering each of the following programs to develop opportunities for competitive integrated employment, to the greatest extent practicable:

The PRVRA maintains collaborative relationship with the following agencies and/or organizations for the development of integrated competitive employment opportunities:

VI.VR(h)(1) the State Medicaid plan under title XIX of the Social Security Act;

The PRVRA established contact with the Director of the Policies/Procedures and Operations of the Medicaid Program under the Department of Health, administering the Medicaid under Title XIX of the Social Security Act. The Medicaid staff can provide VRA staff with information about the program and also orientations to help them identify individuals with disabilities not receiving services from Medicaid that may be potential beneficiaries. Receiving needed services from Medicaid is a way to provide adequate conditions to benefit from the vocational rehabilitation process to achieve competitive integrated employment.

VI.VR(h)(2) the State agency responsible for providing services for individuals with developmental disabilities; and

The PRVRA participates actively in the meetings of the SCDD, as well in activities that promote employment opportunities for this population. It also shared its employers' list with the SCDD and PRVRA staff is available to support their efforts in order to develop competitive integrated employment opportunities.

VI.VR(h)(3) the State agency responsible for providing mental health services.

This Advisory Council of Substance Abuse and Mental Health of Puerto Rico is composed of government agencies, mental health patients and family members. It is supported by the Substance Abuse and Mental Health Services Administration (ASSMCA, by its Spanish acronym). This is the organization selected by the Health Insurance Administration of Puerto Rico to carry out operational functions of the Health Plan and offer treatment for mental health conditions, alcohol and drug abuse in the San Juan and Western regions. The PRVRA is a mandatory member of this council and participates in the planning for the provision of these services.

PRVRA participates as a member of the Advisory Council of Substance Abuse and Mental Health of Puerto Rico. The Council's mission is to promote compliance with federal public law and the public policy of the Commonwealth of Puerto Rico, in order to offer adequate mental health and substance abuse services and promote a better quality of life for people and their families. The Council's objectives are to:

1. Participate in the writing and implementation of the Block Grant, in accordance with Section 1915 (a) of the federal law.
2. Participate in the development of the State Plan for the Mental Health and Substance Abuse Services Administration.
3. Review and evaluate adequacy and distribution of mental health and substance abuse services in PR to identify service needs.
4. Advocate for people with mental health and substance abuse disabilities in PR, in order to guarantee establishment of a high quality integrated service system.

Functions of each member, including PRVRA, are: 1. Attend meetings 2. Active participation in deliberation and vote processes 3. Staying informed and updated about interests issues for mental health and substance abuse services improvements 4. Participate in activities and perform assigned tasks 5. Participate in the Council's working groups

Every situation regarding an applicant/consumer is managed with the corresponding member. Annually, the PRVRA submits to the Council a report of mental health impairments attended in the Agency. On the other hand, cases with mental health conditions may request PRVRA services as self-applicants or through "Atención Primaria de Salud" (APS, by its acronym in Spanish), which are companies contracted by the Health Insurance Administration to offer mental health and substance abuse services to beneficiaries of the Government Health Care Insurance.

The VR Counselor maintains contact with the APS social workers or case manager in order to offer integrated services, including public health actions such as: diagnostic, prevention, and occupational services by the VRA.

VI.VR(i) Comprehensive System of Personnel Development; Data System on Personnel and Personnel Development.

Describe the designated State agency's procedures and activities to establish and maintain a comprehensive system of personnel development designed to ensure an adequate supply of qualified State rehabilitation professional and paraprofessional personnel for the designated State unit, including the following:

The PRVRA's institutional mission is to provide VR services aimed at the successful integration of people with disabilities into the labor force and towards the enjoyment of a more independent living. With that purpose, the agency has professionals committed with public service, duly qualified to meet, in an agile and responsive way, the VR and independent living needs of people with disabilities, with priority to the needs of those with the most significant disabilities.

In order to ensure that we have the best qualified and fully trained personnel to provide services to people with disabilities, we offer professional development opportunities to our human resources. We also take into consideration their needs and recommendations for the best performance of the agency.

VI.VR(i)(1) Data System on Personnel and Personnel Development

VI.VR(i)(1)(A) Qualified Personnel Needs. Describe the development and maintenance of a system for collecting and analyzing on an annual basis data on qualified personnel needs with respect to:

VI.VR(i)(1)(A)(i) the number of personnel who are employed by the State agency in the provision of VR services in relation to the number of individuals served, broken down by personnel category;

The PRVRA's institutional mission is to provide VR services aimed at the successful integration of people with disabilities into the labor force and towards the enjoyment of a more independent living. With that purpose, the agency has professionals committed with public service, duly qualified to meet, in an agile and responsive way, the VR and independent living needs of people with disabilities, with priority to the needs of those with the most significant disabilities.

In order to ensure that we have the best qualified and fully trained personnel to provide services to people with disabilities, we offer professional development opportunities to our human resources. We also take into consideration their needs and recommendations for the best performance of the agency.

As of September 30 of 2017 the PRVRA had a payroll of 767 employees to serve 65% (38,660) of the population projected to attend to (59,477) during 2018. In order to articulate the operation of the agency in response to the needs of the population attended, the PRVRA requires professional staff related to the rehabilitation field occupying different positions, as well as other support and administrative staff. The support professionals also provide direct service to the applicant/consumer; while the administrative ones contribute to the continuity of other processes needed for the operation of the agency and the achievement of its programmatic goals.

During FY 2017, the PRVRA succeeded in attending a population of 61,382 in 151 work zones for an average caseload of 354 cases.

BREAKDOWN COUNSELORS AND NEW WORK ZONES Fiscal Year|Total zones in the period|New zones|New VR counselors:

2017|151|0|0

2016|151|0|0

2015|152|0|17

2014|152|0|11

2013|153|2|7

2012|151|9|14

It is estimated that in one year the average caseload will be between 300-325 cases.

BREAKDOWN AVERAGE CASELOADS FOR CRV, 2012-2017

Fiscal year|Number of zones|Active caseload|Cases closed|Population served|Average caseload

2017	151	54,104	7,278	61,382	354
2016	151	53,436	8,292	61,728	340
2015	152	51,383	7,788	59,170	333
2014	152	47,937	7,234	55,171	315
2013	153	42,653	6,652	49,305	279
2012	151	37,312	7,050	44,362	247

The PRVRA is strengthening its work teams to provide agile and responsive services to the needs of people with disabilities. At the moment, the agency has 141 VR counselors managing cases. To provide other services needed in the rehabilitation process (assessment and employment-related services, among others), the agency has 350 support staff.

The following section shows a breakdown of PRVRA staff, by category, vacancies and projected employees who qualify for retirement over the next (5) years:

DESCRIPTION OF PRVRA STAFF	Staff	category	Total	positions	Current
					vacancies
					Projected vacancies (5 years)
Counseling staff	141	17	15		
Support staff	350	58	63		
Administrative staff	275	100	92		
Other staff	1	0	0		
TOTAL	767	175	170		

Source: PRVRA, 2017.

VI.VR(i)(1)(A)(ii) the number of personnel currently needed by the State agency to provide VR services, broken down by personnel category; and

Please, refer to section VI.VR(i)(1)(A), above.

VI.VR(i)(1)(A)(iii) projections of the number of personnel, broken down by personnel category, who will be needed by the State agency to provide VR services in 5 years based on projections of the number of individuals to be served, including individuals with significant disabilities, the number of personnel expected to retire or leave the field, and other relevant factors.

Please, refer to section VI.VR(i)(1), above.

VI.VR(i)(1)(B) Personnel Development. Describe the development and maintenance of a system for collecting and analyzing on an annual basis data on personnel development with respect to:

VI.VR(i)(1)(B)(i) a list of the institutions of higher education in the State that are preparing VR professionals, by type of program;

The Agency has a computerized registry of trainings provided to the employees. Their needs are identify through performance evaluations or supervisors recommendations, and trainings are provided to address those needs. Also, some employees require professional licenses to perform their duties, and for that reason the Agency makes sure they comply with the requirement and provides the opportunity to participate on continuing education trainings for their license renewal.

Puerto Rico has various institutions of higher education that are preparing professionals in the rehabilitation field. The PRVRA has agreements with three (3) universities that prepare professionals in the rehabilitation counseling field. The purpose of such agreements is to provide the students the opportunity to carry out their practicum in facilities of our agency. In addition, the PRVRA recruits graduates from these institutions and others:

- University of Puerto Rico (UPR)- is the only public institution of higher education in the country. It has its main campus in Río Piedras with 10 off-campus sites throughout the Island. The Graduate Program in Rehabilitation Counseling is at their Río Piedras Campus
- UPR, Medical Sciences Campus, has the following programs: Occupational Therapy; Physical Therapy; Master’s degree in Speech Pathology; and Nursing
- Pontifical Catholic University of Puerto Rico (Ponce) has the Graduate Program in Rehabilitation Counseling
- Bayamón Central University has the following programs: Graduate Program in Rehabilitation Counseling;. Bachelor’s degrees in Psychology; Bachelor’s degree in Social Work; Vocational Rehabilitation Certification; and Visual Impairments Certification
- Turabo University has the following programs: Certification and/or Bachelor’s degree in Sign Language

VI.VR(i)(1)(B)(ii) the number of students enrolled at each of those institutions, broken down by type of program; and

- University of Puerto Rico Recinto de Río Piedras: Graduate Program in Rehabilitation Counseling: 140 enrolled students
- University of Puerto Rico, Medical Sciences Campus: 452 enrolled students in the following programs: Occupational Therapy (48); Physical Therapy (54); Master's degree in Speech Pathology (31); and Nursing (319)
- Pontifical Catholic University of Puerto Rico: 149 enrolled students
- Bayamón Central University: 300 enrolled students in the following programs: Graduate Program in Rehabilitation Counseling (14); Bachelor's degrees in Psychology (98); Bachelor's degree in Social Work (150); Vocational Rehabilitation Certification (18); and Visual Impairments Certification (20).
- Turabo University: 15 enrolled students

VI.VR(i)(1)(B)(iii) the number of students who graduated during the prior year from each of those institutions with certification or licensure, or with the credentials for certification or licensure, broken down by the personnel category for which they have received, or have the credentials to receive, certification or licensure.

- University of Puerto Rico (UPR) - At the Río Piedras Campus, Graduate Program in Rehabilitation Counseling 20 graduates. *Staff category: Counseling*
- UPR, Medical Sciences Campus- 160 graduates in the following programs: Occupational Therapy (16 graduates); Physical Therapy (0 graduates); Master's degree in Speech Pathology (15 graduates); and Nursing (129 graduates). *Staff category: Support*
- Pontifical Catholic University of Puerto Rico (Ponce)- 5 graduates in the Graduate Program in Rehabilitation Counseling. *Staff category: Counseling*
- Bayamón Central University- 81 graduates in the following programs: Graduate Program in Rehabilitation Counseling (14 graduates); Bachelor's degrees in Psychology (16 graduates); Bachelor's degree in Social Work (37 graduates); Vocational Rehabilitation Certification (9 graduates); and Visual Impairments Certification (5 graduates); *Staff category: Counseling & Support*
- Turabo University: 8 graduates in the Certification and/or Bachelor's degree in Sign Language. *Staff category: Support*

VI.VR(i)(2) Plan for Recruitment, Preparation and Retention of Qualified Personnel.

Describe the development and implementation of a plan to address the current and projected needs for qualified personnel including, the coordination and facilitation of efforts between the designated State unit and institutions of higher education and professional associations to recruit, prepare, and retain personnel who are qualified, including personnel from minority backgrounds and personnel who are individuals with disabilities.

The PRVRA, through the Office of Labor Affairs and Human Resources and its divisions, has the responsibility of developing, updating and implementing a plan for the recruitment, preparation and retention of qualified personnel to meet current and projected needs of staff. To comply with such requirement, the agency will continue with the development of the following procedures and activities:

- Identification and communication of needs concerning the recruitment, reclassification, training or any other requirement related to human resources
- Analysis and development of strategies based on the needs concerning the recruitment, reclassification, training or any other requirement related to human resources
- Realignment of personnel to fill vacant positions in the centers providing services to consumers (centers offering VR counseling services, assessment and adjustment, support and employment modes). Although this strategy responds to the current public policy of economic austerity, it also propitiates the development of employees while taking care of the staff needs of the agency
- Offering of advice and support on issues concerning the best use of human resources, particularly those assigned to the provision of direct services to meet the needs of the consumers
- Provision of advice and support on issues concerning the management of human resources of the agency, maintaining a close coordination with the programmatic area of the agency
- Planning and provision of human resources (involves the analysis; design; establishment and elimination of positions; selection and recruitment; and the implementation of a system of personnel evaluation)
- Maintenance of a human resources inventory that involves the classification of positions, existing vacancies, identification of candidates for retirement and succession planning. This information is analyzed on an annual basis to determine employment patterns, positions that are hard to hire and number of employees with 25 or more years of service
- Forecasting of human resources needs (within a period of 1 to 5 years), by number and type of employee, emphasizing on the personnel that offers direct services to people with disabilities
- Provision of training and promotion of staff development
- Establishment of objectives and training activities to be offered to staff in order to comply with programmatic/administrative commitments of the agency

- Coordination of staff training activities with universities and other institutions preparing professionals related to the rehabilitation field
- Maintenance of efforts to continue recruiting qualified staff with disabilities. The PRVRA has VR counselors who have various disabilities. It also continues emphasizing on compliance with Law 81, as amended, known as the Law of Equal Employment Opportunity for Persons with Disabilities. As part of the evaluation of examination requests, five (5) additional points are granted to anyone who shows evidence of having some type of disabling condition

The PRVRA recruits without distinction of age, race, color, gender, social or national origin, and social condition, political or religious beliefs. Our agency recruits based on qualifications of applicant. The Puerto Rico PRVRA is the only Designated State Unit of the nation where more than 99% of its population is minority (Hispanic and/or Spanish-speaking).

The PRVRA has agreements with three (3) universities that prepare professionals in the rehabilitation counseling field. The purpose of such agreements is to provide the students the opportunity to carry out their practicum in facilities of our agency. In addition, the PRVRA recruits graduates from these institutions, particularly from the following: University of Puerto Rico (UPR), Pontifical Catholic University of PR (Ponce), and Bayamón Central University, among others. Training is provided to VR staff through: College of RC Professional of PR, National Council of Rehabilitation Education (NCRE), American Deafness and Rehabilitation Association, to name a few. For more details, see sections (i) 1.B and (i) 3. B.

VI.VR(i)(3) Personnel Standards. Describe the State agency's policies and procedures for the establishment and maintenance of personnel standards consistent with section 101(a)(7)(B) and to ensure that designated State unit professional and paraprofessional personnel are adequately trained and prepared, including:

Please, see below.

VI.VR(i)(3)(A) standards that are consistent with any national or State-approved or -recognized certification, licensing, registration, or other comparable requirements that apply to the profession or discipline in which such personnel are providing VR services; and

In Puerto Rico, the rehabilitation counseling profession is regulated by Law 58 of May 7 of 1976, as amended, known as the Regulatory Law of the Rehabilitation Counseling Profession in Puerto Rico. This legislation establishes that in order to practice as a rehabilitation counselor, the person must have a Master's degree in Rehabilitation Counseling and a current state license issued by the appropriate Board of Examiners. It is also required that the professional maintains active his credentials and licenses in the Professional Registry of the Office of Regulation and Certification of Health Professionals, be a member of the College of Rehabilitation Counseling Professionals of Puerto Rico, and

comply with hours of continuing education. The PRVRA recruits personnel who meet these requirements in order to ensure the highest standards of the rehabilitation counseling profession.

Similarly, certification or license is required as a condition for employment, benefits and wages for: teachers, physical therapists, occupational therapists, speech/language pathologists, social workers, and psychologists, among others.

VI.VR(i)(3)(B) the establishment and maintenance of education and experience requirements, in accordance with section 101(a)(7)(B)(ii) of the Rehabilitation Act, to ensure that the personnel have a 21st century understanding of the evolving labor force and the needs of individuals with disabilities.

The PRVRA has developed the following strategies to maintain personnel standards consistent with the highest state requirements applicable to a specific profession or discipline:

- Annual review of certifications, licenses, and continuing education of specific professions or disciplines
- Continuation with the provision to staff of training necessary for the optimal performance of their duties
- Maintenance of an updated record on training and workshops, and education activities among others, provided to the agency staff
- Identification of retraining needs of the agency staff in order to strengthen the performance of duties
- Annual performance evaluation of the staff

- The following is a list of professional associations related to the rehabilitation field available to provide training to staff:
 - College of Rehabilitation Counseling Professionals of Puerto Rico- (VR counselors)
 - National Council of Rehabilitation Education (NCRE)- (educators in rehabilitation and staff related to the training of rehabilitation professionals, among others)
 - American Deafness and Rehabilitation Association (ADARA)- (staff related to services to the deaf)
 - Association of Persons in Supported Employment (APSE)- (staff related to supported employment services, among others)
 - National Council on Independent Living (NCIL)- (staff related to independent living services)
 - California State University at Northridge (CSUN)- (VR professionals in assistive technology)
 - Rehabilitation Engineering and Assistive Technology Society of North America (RESNA)- (VR professionals in assistive technology)
 - College of Occupational Therapy Professionals of Puerto Rico- (occupational therapists and occupational therapy assistants)

- College of Social Work Professionals of Puerto Rico- (social workers)
- Association of Employee Assistance Professionals of Puerto Rico- (central level staff of the Employee Assistance Program)
- Administration of Mental Health and Anti-Addiction Services (ASSMCA, in Spanish)- (staff of the Employee Assistance Program)
- Academy of Audiology of Puerto Rico- (audiologists)
- Puerto Rico Assistive Technology Program (PRATP)- (occupational therapists, speech/language pathologists, and audiologists, among others)
- Puerto Rico Registry of Interpreters for the Deaf- (interpreters for the deaf)
- Puerto Rican Physiotherapy Association- (physical therapists and physical therapy assistants)

VI.VR(i)(4) Staff Development. Describe the State agency's policies, procedures, and activities to ensure that, consistent with section 101(a)(7)(C) of the Rehabilitation Act, all personnel employed by the designated State unit receive appropriate and adequate training in terms of:

VI.VR(i)(4)(A) a system of staff development for professionals and paraprofessionals within the designated State unit, particularly with respect to assessment, vocational counseling, job placement, and rehabilitation technology, including training implemented in coordination with entities carrying out State programs under section 4 of the Assistive Technology Act of 1998; and

As established in the Procedures Manual for the Training of All Staff of the Vocational Rehabilitation Administration, the PRVRA promotes and emphasizes on the continuing education of its employees. Therefore, it carries out the following activities to ensure having qualified staff:

- Identification and communication of training needs
- Analysis and development of strategies based on training needs
- Design of training activities to address topics concerning administrative/programmatic issues relevant to the VR program
- Planning of training activities as a result of the needs identified in the needs assessment study, monitoring reports and performance evaluations

The following is a breakdown of some of the training activities offered to the rehabilitation counseling staff and other related professionals during 2017 (Topic|Participants):

- 2nd Symposium on Transition from secondary education to independent living and post secondary education|57
- Pre-Employment Skills, Needs, and Supports Analysis|30
- Changes to the Case Management System and the RSA-911 Report|287
- Rehabilitation Counselors Annual Conference 2017|79

- Ethics in Rehabilitation: Conceptual, Philosophical and Practical Implications of the Rehabilitation Counseling Code of Ethics|33
- ONET and Job Match|13
- Mental Health First Aid Workshop|28
- Training for Occupational Therapists on reports writing techniques with emphasis on the pre-employment skills analysis form|23
- Presentation, orientation and practice on how to access the CAA-ARVI System- Provided to Vocational Rehabilitation Counselors, Supervisors and Support Staff|154
- Presentation on PR SAM Project- Practice on the administration, correction and interpretation of the 12 work samples and computerized tests|63
- Vocational Evaluation, Job Match, and Youth on Transition Process|20
- Training to AT Staff on the Easylink Assistive Technology Equipment|14
- Training to AT Staff on the Braille Note Assistive Technology Equipment|11
- Other trainings related to personnel functions|488

Total: |1,300 Source: PRVRA, FY 2017.

Trainings to the newly recruited VR counselors was broaden to cover in detail the following aspects: services provision process and federal regulations; assessment and adjustment services; support and employment mode services; productivity indicators; use of the computerized system to provide services; data on the federal RSA-911 Report; fiscal and budgetary aspects of the services provision process; independent living services; and the State Plan. Each topic is presented by the staff of corresponding areas, which allows employees to become familiar with the central office.

Assistive Technology Program (PRATP) established under Act No. 264 of 2000 known as the "Act for the Puerto Rico's Assistive Technology Program" as amended, has the responsibility to promote changes in public and private systems for inclusion, independence and self-sufficiency of people with disabilities through AT use. According to this mandate the PRATP keeps collaborative agreements with government agencies. The PRVRA has maintained agreements with PRATP to exchange resources, knowledge and experiences about AT topics.

PRVRA offered AT services at their six regions under the following categories: visual, hearing , mobility, communication, independent living, cognitive, and computer access. Services are offered by Occupational Therapists, Physical Therapists, Audiologists, certified teachers, Speech and Language Pathologists, Blind Services and Visual Rehabilitation Specialists. Those professionals have the required credentials. By providing AT services, professionals keep up to date in knowledge. To that effect, the Agency benefits from collaboration with PRATP because their specialists offer trainings to VR staff about topics such as:

Low, medium and high technology AT equipments

AT legislation

AT integration to assessment and adjustment processes

AT alternatives for employment and independent living

AT for specific populations (blind, learning disabilities, mobility impairments)

New equipment on the market and free equipment alternatives

Low cost or home made AT equipments alternatives, among others

Those trainings and others provided by the VRA have contributed to keeping VRA staff skills and knowledge updated, having an impact on AT service delivery to applicants/consumers, facilitating employment outcomes and independent living.

VI.VR(i)(4)(B) procedures for the acquisition and dissemination of significant knowledge from research and other sources to designated State unit professionals and paraprofessionals.

For the purpose of acquiring and disseminating significant knowledge of research and other sources to professional and paraprofessional staff of the agency, the PRVRA has established the following procedure:

1. Presentation to staff of the findings of the Comprehensive Needs Assessment Study of Rehabilitation Needs.
2. Send, by internal email, links to articles or information resources related to the rehabilitation field.
3. Agreement with the Graduate School in Rehabilitation Counseling of UPR so that they share with the agency, findings of research studies related to the rehabilitation field.
4. Permission for staff participation in continuing education courses, many of which contain information and strategies based on evidence.

VI.VR(i)(5) Personnel to Address Individual Communication Needs. Describe how the designated State unit has personnel or obtains the services of other individuals who are able to communicate in appropriate modes of communication with or in the native language of applicants or eligible individuals who have limited English speaking ability.

The agency, in its vision to be the lead agency in the provision of services to people with disabilities, provides staff with the necessary training and workshops to meet the communication needs the deaf, blind and deaf/blind applicants/consumers. For this reason, the agency staff participates in training activities related to such communication needs. At the same time, the agency has six (6) interpreters for the deaf whose services

can be used, when necessary, to service applicants or eligible consumers; as well as four (4) interpretations service contracts to meet the communication needs our consumers.

Due to the fact that Puerto Rico is a Spanish-speaking country (English is used as second language), we can communicate in the native language (Spanish) of our applicants/consumers. However, if an applicant/consumer speaks only English, we can also communicate in that language. In addition, the PRVRA can provide clients with alternative formats of communication such as Braille and large print, among others.

The PRVRA installed a video interpretation system through its facilities, which ensure communication with the deaf population, even if the interpreter is not physically present at the place where the applicant/consumer is requesting service.

VI.VR(i)(6) Coordination of Personnel Development Under the Individuals with Disabilities Education Act. As appropriate, describe the procedures and activities to coordinate the designated State unit's comprehensive system of personnel development with personnel development under the Individuals with Disabilities Education Act.

In Puerto Rico, the Assistant Secretariat of Comprehensive Educational Services for Persons with Disabilities and the PRVRA are located in two different state departments (PRDE and PRDOLHR). The first one is responsible for the implementation of Public Law 108-446, as amended, known as the Individuals with Disabilities Education Improvement Act (IDEIA); the second one is responsible for the implementation of the Rehabilitation Act of 1973, as amended, and State Law 97-2000, as amended, known as the Vocational Rehabilitation Law of Puerto Rico. In addition to the aforementioned legislation, we have State Law 51-1996, as amended, known as the Integral Educational Services for Persons with Disabilities, which provides for the coordination to be achieved between various local agencies to ensure an effective transition of disabled youth coming from the Department of Education. Both agencies maintain cooperative ties related to the development of their respective human resources and as such, have been planning, developing, offering and/or participating in numerous in-service training activities since 1987. Some of the topics covered in such training include: transition from school to work; vocational evaluation; supported employment; IDEIA; Americans with Disabilities Act (ADA), Public Law No. 101-336, as amended; Workforce Investment Act (WIA), Public Law 105-220 of August 7 of 1998, as amended; among others. In addition, both agencies are members of an Advisory Committee, which meets periodically to plan and join efforts in the development and implementation of transition services from school to work.

The efforts and alliances carried out under collaborative agreements with the PRDE, as well as with the PRDOLHR and its components, are conducive to the development of strategies and activities to comply with federal regulations.

The PRVRA has the responsibility to provide follow up to the cooperative link with the PRDE. As part of this commitment, during PY 2017, the agency participated in meetings with the Advisory Committee of Special Education.

VI.VR(j) Statewide Assessment. The results of the *Comprehensive Needs Assessment Study of Rehabilitation Needs of Individuals with Disabilities*, presented in the State Plan FY 2015, are still valid. Such study was conducted by the Graduate School in Rehabilitation Counseling (GSRC) of the University of Puerto Rico (UPR). We are also including in this attachment, new information related to the transition service needs required by WIOA.

VI.VR(j)(1) Provide an assessment of the rehabilitation needs of individuals with disabilities residing within the State, particularly the VR services needs of those:

See specific information (j)(1)(A) at the end of this section.

As requested by the VRA and the State Rehabilitation Council (SRC), the Rehabilitation Counseling Graduated School of the University of Puerto Rico (CORE-Spanish acronym), Río Piedras Campus, carried out the Comprehensive Statewide Vocational Rehabilitation Services Needs Assessment between 2016 and 2017. Specific goals and objectives were established by agreement between representatives of VRA, SRC and CORE.

VRA and SRC determined that the rehabilitation service needs, for the purpose of this investigation, were going to be established from the opinions or comments received from vocational rehabilitation professional experts, with a vast experience on the field. These professionals are already working at the VRA, and have a vast knowledge and experience that allows them the ability to formulate opinion criteria. The study also involved a sample of professionals currently working at the P.R. Department of Education having direct experiences in attending student needs, especially those with disabilities and receiving Vocational Rehabilitation transition services.

The empirical evidence gathered during the quantitative phase of the investigation, was the result from **the administration of Survey-Type Instruments for Specialized Professionals** in the service delivery to students and other people with disabilities from the VRA and the Department of Education (DE). Evidence gathered during the qualitative phase was the result of the participation of diverse sectors in Focal Groups. Sectors who participated in the Focal Groups were defined by the VRA and SRC, and included: VRA and DE staff, representatives from other WIOA/AJC programs, Vocational Rehabilitation participants/consumers, parents (of students with disabilities) and a representation from representatives of community organizations that serve as advocates for people with disabilities. The findings obtained as a result of the investigation's qualitative component, let the investigators know about the correspondence between the arguments presented by each sector, and the results of the quantitative phase surveys.

I. Quantitative Phase

A. VRA Staff Survey

By consensus of the VRA staff and that from the SRC, three (3) versions of the need survey were developed for the VRA's professional staff. The survey was named "*Encuesta para*

Profesionales de la Administración de Rehabilitación Vocacional Sobre las Necesidades de los Estudiantes y Jóvenes con Impedimentos en Cuanto a Servicios de Transición Pre-empleo, Servicios de Transición y Otros Servicios de Rehabilitación Vocacional” [Survey for Professionals at the VRA Regarding Students and Youth with Disabilities Needs of Pre-Employment Transition Services, Transition Services and Other Vocational Rehabilitation Services]. The three (3) versions correspond to the following three professional groups: 1. Survey for VRA Professionals in Transition Analysts Positions - TA Form; 2. Survey for VRA Professionals Working in the Evaluation and Adjustment Center (CAA, by its acronym in Spanish)- CAA Form; and 3. Survey for VRA Professionals (Vocational Rehabilitation Counselors in a variety of functions and roles) - General Form.

A.1. Survey for VRA Professionals working as Transition Analysts - TA Form

Form TA of the survey was a specifically-developed version, to know the opinion of the VRA’s professionals’ working as Transition Analysts (TAs). The object of the opinions in Form TA, be it the persons about whom the professionals participating in the study think about the needs of services, were divided into three subgroups, representing the three survey areas. The sections were as follows:

SECTION A: Survey for the Vocational Rehabilitation Professionals regarding Pre-Employment Transition Services Needs of students with disabilities receiving services from the Department of Education and other Educational Programs.

SECTION B: Survey for VRA Professionals regarding Other Vocational Rehabilitation Services Needs for students and youth up to 24 years of age, already VRA consumers.

SECTION C: An instrument for Transition Analysts regarding Related Subject-Matters of Transition Service Coordination.

Participant Description in Form TA (Part I, Section A):

A total of 11 persons island wide, all that perform VRA Transition Analyst functions, answered form TA. A total of years-in-service at the VRA was calculated, and the result was that 9 (82%) were between 17 to 24 years in service, and 18% indicated having 25 years in service at the VRA.

A.2. Survey for VRA Professionals Working at the Evaluation and Adjustment Centers - Form CAA

Form CAA of the survey, was a specifically-developed version, to find out the opinion of VRA Specialists’ working at the Evaluation and Adjustment Centers (CAA, by its acronym in Spanish). The object of these opinions in form CAA, be it understood to mean persons over which professionals have opinions regarding service needs, were divided into two (2) sub-groups representing 2 sections of the survey. The following are the two sections:

SECTION A: Survey for VRA Professionals regarding Pre-Employment Transition Services Needs of students with disabilities receiving services from the Department of Education and other Educational Programs.

SECTION B: Survey of VRA Professionals regarding Other Vocational Rehabilitation Services Needs for students and youth up to 24 years of age, already VRA consumers.

These sections were the same as in the survey given previously to Transition Analysts. The survey included open opinion questions and recommendations, to improve Transition services, and others.

Participant Description in Form CAA:

A total of 43 professionals ascribed to the CAA answered the survey. The majority of the participants, 57% (22) indicated having between 17 and 24 years working at the VRA, while 21% (8) indicated having 25 years or more working at the VRA. 22% (8) indicated having 16 years or less working at the VRA. With regards to the professional group they belong to, the sample was set as follows: Occupational Therapists 19% (8); Occupational Therapy Supervisors 2% (1); Vocational Evaluators 28% (12); Vocational Evaluation Supervisors 2% (1); Teacher 19% (8); Evaluation and Adjustment Official 5% (2); Evaluation and Adjustment Technicians 7% (3); Evaluation and Adjustment Assistants 5% (2); Other 7% (3); and Did not answer the question 7% (3).

A.3 Survey for VRA Professionals - General Forms

The survey's General Form was a version specifically developed to gather the opinions of the following VRA specialists working at the VRA: Vocational Rehabilitation Counselors in a variety of functions and roles (Case Managers, Transition Analysts, Support and Employment Mode Analysts; Vocational Rehabilitation Counseling Supervisor, Directors of the Counseling Service Centers and Directors of Support and Employment Modes Centers (CSEM). The object of their opinions in the General Form, be it understood to mean persons over which professionals have opinions regarding service needs, were divided into 4 subgroups representing 4 of the survey's sections. These sections were:

SECTION A: Survey for VRA Professionals regarding Pre-Employment Transition Services Needs of students with disabilities receiving services from the Department of Education and other Educational Programs.

SECTION B: Survey for VRA Professionals regarding Other Vocational Rehabilitation Services Needs for students and youth up to 24 years of age, already VRA consumers.

SECTION C: Survey for VRA counselors (Case Managers) and professionals from the Centers of Support and Employment Modes (CSEM) regarding Supported Employment and other VR services needs for consumers with more significant disabilities.

SECTION D: Survey for VRA Counselors (Case Managers) and professionals from the CSEM about the need to establish, develop or improve Community Rehabilitation Programs (CRP).

Section A:

Part I - Description of the participants who answered the General Form

To generally describe general characteristics of participants, the following aspects were analyzed: sex, age, years of service at the VRA, title or position occupied, and the VRA region where located. A total of 160 persons answered the General Form. Among participants, a total of years-in-service at the VRA was observed with 39.5% reporting between 1 to 8 years; 23.1% between 9 to 16; 32% between 17 to 24; and 5.4% indicated having 25 or more year in VRA's service. As per the title or position held at the VRA at the time of the survey, 116 (75%) were observed to have been rendering Vocational Rehabilitation Counseling functions as Case Managers; 3 (2%) were Vocational Rehabilitation Counselors rendering functions as Transition Analysts; 10 (6%) were Vocational Rehabilitation Counselors doing Support and Employment Modes Analyst functions; 14 (9%) were Vocational Rehabilitation Supervisors; 5 (3%) were Counseling Services Center's Directors; and 5 (3%) were CSEM Directors. A total of 3 (2%) indicated Other.

B. SURVEY FOR DEPARTMENT OF EDUCATION (DE) STAFF

From a consensus of VRA and SRC, a version of the survey was developed to uncover the needs the DE staff could identify. The survey was titled "Survey for Puerto Rico's DE Professionals Regarding the Needs of Students with Disabilities for Pre-employment Transition Services" [*Encuesta para Profesionales del Departamento de Educación de Puerto Rico sobre las Necesidades de los Estudiantes con Impedimentos en cuanto a Servicios de Transición para Pre-empleo*]. The people on whom the DE staff gave their opinion were divided into several subgroups, which represent the various sections of the survey. The sections are:

SECTION A: Data about the participants in the survey and their training needs.

SECTION B: Survey for DE's Professional regarding Pre-Employment Transition Services Needs of students with disabilities who receive Special Education services in school.

SECTION C: Survey for DE professionals, regarding Pre-Employment Transition Services Needs of students with disabilities who receive services under Section 504.

SECTION D: Open for questions

Section A:

Part I: Description of Department of Education survey participants

In order to describe the general characteristics of the DE participants, the following were analyzed: sex, age, years-of-service at the DE, title or job held at the DE, and the region where the participant was working. A total of 81 professionals from 20 different schools answered the survey. The DE recommended and authorized the participation of 23 schools covering the Island; from which 20 participated. Five (5) questionnaires were given to each school for a total of 100. Of the 20 schools that agreed to participate, 81 questionnaires were answered for an 81% (81/100) participation index which may be considered a high response.

Among the participants working at the DE, the total number of years on the job was observed, and 30% reported between 1 and 8 years, 45% between 9 and 16 years, 11% between 17 and 24, and 14% indicated 25 or more years of service.

Regarding titles or job-positions held at the DE at the time the survey was administered, it was observed that 42 (52%) were Special Education Teachers, the largest group represented in the sample. Also, 12 (15%) were Professional Counselors, 8 (10%) were Social Workers, 5 (6%) were School Directors and 5 (6%) were Pre-Vocational Teachers. Of the total number of participants from the DE, 9 (11%) did not indicate a job position.

II. Qualitative Phase: Focal Group Analysis

A. Focal Group Methodology

The study's design was a mixed one. This type of investigation combined quantitative and qualitative investigation methods in different parts of the process. The needs assessment was subdivided into 2 parts. The first part constituted the quantitative part, consisted of surveys or questionnaires answered by different professional groups who specialized on rehabilitating people with disabilities. The second part qualitative, consisted of 5 focal groups composed of representatives from different sectors in society offering transition services from school to independent living, employment or post-secondary education for people with disabilities between the ages of 14 and 24.

The objective of the qualitative phase was not to generalize the results, but to go deeper into the quantitative phase findings, to identify the elements or factors the previous phase did not identify, and to be able to go deeper into the studied elements from the participants' perspective (Hernández y Baptista, 2014). The objectives and the questions are more in general than in the quantitative investigation. For this phase, as previously mentioned, the technique used was focal group.

The sample of this study is not probabilistic. Participants were selected with a purpose - because it was understood that they were capable of submitting opinions regarding the study, due to the role assumed, understood or adjudicated within the functions they perform in society. Therefore, we parted from the premise that it was an expert sample

due to the functions they had performed, in relation to the transition process. The sample was also chosen by convenience and on a voluntary basis.

This is an heterogeneous among groups sample with a common denominator. The number of participants per focal group fluctuated between 4 to 14 persons, complying with the minimum sample size suggested for this technique (Hernández y Baptista, 2014). The first focal group included staff from the Department of Labor (DOL), municipalities and the DE, operating under the Workforce Innovation and Opportunity Act (WIOA) rules (2014): Title I Programs - Youth, Adults and Dislocated Workers; Title II Programs - Adult Education; Title III Programs - Wagner-Peyser (WP), and Title IV Programs - Vocational Rehabilitation Administration (VRA). The second focal group consisted of advocates and service providers to school youth in transition to post-secondary education. The third focal group was made up of VRA consumers that received transition services from school to post-secondary education. The fourth group consisted of fathers, mothers and tutors of youth who currently, or that for the last three years, had been through the transition process from school to the VRA. The last group consisted of DE and VRA staff currently participating in transition processes.

The focal groups' analyses were made by group writing the manifest content of each response followed by a convergence and divergence analysis of the responses between and within groups, when applicable, because groups' questions could vary. This compiled information, at the same time, was analyzed by using a triangulation technique where the provisions of law contained in the applicable state and federal laws were used as the main source

GENERAL CONCLUSIONS AND RECOMMENDATIONS

When arriving at general conclusions in a complex and extensive study, as the one at hand, risks that must be controlled become present. The study was a complex one, because it used mixed methodology (where qualitative and quantitative elements were integrated) and required safeguards when synthesizing the gathered information, since the internal and external validity of the study are different. At the same time, this was an extensive study, because it gathered input from four (4) professional sectors in the quantitative phase (heterogeneous among themselves, representing fifteen (15) specialties) for a total of 295 professionals (of which 81 were DE professionals and 214 belonged to the VRA), and five (5) sectors in the qualitative phase represented eight (8) sectors, among them professionals, parents or tutors and consumers for a total participation of 38 persons making up the focal groups.

The diversity created in the aforesaid suggests three (3) principles the reader must keep in mind when reading and analyzing the conclusions.

1. The general conclusions emanate from the analysis presented in this document, regarding each group or surveyed sector. Therefore, the reader will find specific conclusions in each of the document's sections.

2. The general conclusions mean to establish patterns or trends in the congruencies or divergences that result from the specific conclusions. Therefore, the general conclusions look to congruently integrate the study's general findings, and

3. The investigation carried out was specifically designed to identify pre-employment transition services needs and vocational rehabilitation services needs within specific groups, from the perspective of the experiences multiple sectors or professional groups may have had. **As a consequence, the conclusions constitute the identified needs along the investigation. The conclusions are elaborated in such a way that they simultaneously suggest the recommendations, so as to pay attention to the indicated problems or needs.**

Conclusions and general recommendations

1. All of the consulted sectors coincided in pointing out the need to improve or maybe develop from the beginning, inter-agency process coordination as a pre-requisite for pre-employment transition services to be offered according to law. The need to provide these services, and that there be more uniformity in their performance per region and include the active participation of consumers and their families, is inferred.

2. The limited interagency-coordination negatively affects and dilutes the services and eligibility processes at the VRA, maintaining inequity in services per regions and schools, while at the same time, promotes disinformation for future consumers, for their families and the academic staff.

3. One of the largest limitations in transition services delivery is constituted by an evident staff shortage in professionally-specialized personnel/staff not only at the VRA but also at the DE.

a. With respect to the VRA, evidence is clear that there are **NOT** enough Transition Analysts (TAs). Even though this professional is appreciated, valued and recognized for their professional undertaking in the consulted sectors, it is equally indicated that the VRA faces a major limitation in having so few of them. The need for the TAs to have a larger presence in schools in order to give service and perform closer and more frequent follow-up tasks for the consumers in their transition process was evidenced. The expectation among consumers, parents and school professionals with respect to the TAs will not be able to be satisfied with the present number of TAs available. At the VRA, the importance of executing a vocational evaluation was also pointed out, and thus, the need for having more of these specialists in every region, because of a late vocational evaluation, every rehabilitation process becomes diluted.

b. Regarding the DE, evidence is equally firm regarding the need for specialized professionals to attend students with disabilities needing transition services. The need for additional professional counselors was evidenced, as well as the need for more rehabilitation counselors that must work from schools or academic regions, the need for

independent living servicing specialists, and in particular, the need for vocational evaluators. Talking about vocational evaluators, the need for their services was evidenced by the absence of testing instruments and other evaluation tools required by law. The need to require and provide close, consequential collaboration between the DE and the VRA, was also identified.

4. Most of the sectors coincided when they stated that there is little participation or hardly any collaboration between parents and tutors during the transition services, as well as the occurrence of negative effects caused by that specific fact.

5. All sectors coincided in stating the fact that there is a lack of information continuity, regarding transition services; there is a lack of knowledge regarding what services are included; and in general, not many know of the vocational rehabilitation services offered at the VRA. Many sectors recommended the use of handbooks, whether in hard copy or in electronic format. At the same time, they requested continuous participation of TAs during orientation activities.

6. DE staff was emphatic when recognizing they need more formal training on Transition processes and services offered by the VRA. They recommend for training to be a continuous process that must be updated during the entire school year. That would create a more collaborative and effective staff during their transition procedure servicing.

7. VRA and DE staff recognized the need to increase and improve the independent living skills taught in schools, as well as the need to improve the pre-employment skills curriculum.

8. The need for transition services among students with disabilities was analyzed within the **functions of the four (4) groups, or professional categories, be it: TAs, CAA, General and DE**. The main results of said analysis are presented under section (j)(1)(E)- *Vocational Rehabilitation needs, among youth and students with disabilities including, as applicable, the need for pre-employment transition services, among other transition services.*

9. The needs of services were also analyzed according to the Region of the ARV in which the professional works. In this analysis, DE professionals were not included. The main results are presented in section mentioned above.

10. TAs were consulted about the frequency with which they can perform functions specific to their position. From the questions asked, the TAs pointed out: *Giving orientation to teachers, students, parents and other staff regarding students with disabilities referrals process, independent living and employment skills, eligibility criteria and vocational rehabilitation services* on an average of 3.91 which suggests that in their opinion, the frequency these services are given is **adequate**. This result must be analyzed carefully, because the impression in other sectors that were also consulted (DE, fathers - mothers, or tutors, consumers and the General Group) was that there is not enough staff to cover the services needed. The services: **4 - To identify other students with disabilities**

who were not receiving Special Education but could be referred to the VRA; 13 - To prepare a preliminary analysis of the medical, psychiatric, social, vocational-academic and others obtained from the students' academic files, case discussions, COMPU meetings and interviews with parents-tutors, and 15 - To give technical assistance to CRVs the service delivery process for transition students with disabilities obtained average scores suggesting that the frequency with which the service is offered is **moderately adequate** (3.0, 3.27, and 3.0 respectively). The services that obtained the lowest average scores were: 7-*To serve as a resource when planning innovative in-schools projects for transitioning students with disabilities* (X=1.82) and 14-*To participate in interdisciplinary teams related to Work-based assessments* (x=1.50), which suggests that the frequency with which the TAs carry out their tasks was described as **inadequate or a little inadequate** by the majority of the surveyed staff.

11. The General Group participants, VRA employees, were asked about Supported Employment needs for consumers with significant disabilities. The more important results of such analysis appear in section (j)(1)(A)- *Vocational Rehabilitation needs of those with more significant disabilities, including supported employment service needs.*

12. The VRA staff who participated in the survey was asked about **sectors or groups not receiving services or who were receiving them below the expected level.** The main results of the analysis are presented in section (j)(1)(C)-*Vocational Rehabilitation needs in persons with disabilities that could be, but are not being served or are receiving services below expected levels.*

13. The needs of particular groups of youth with disabilities:

a. DE staff was asked about the transition needs of **youth with disabilities under the custody of the Juvenile Institutions Administration [Administración de Instituciones Juveniles]**. They emphasized on the importance of promoting communication skills, or learning about money management, of showing appropriate conduct, and understanding interpersonal relationships. They pointed out the need to provide them with real job experiences through orientations regarding the world of employment, and to follow-up on their therapies and the evaluations that by law, this group of youths should be receiving.

b. Regarding **Home Schooling** and their relationship with transition services, DE participants identified the needs: to provide social interaction and interpersonal communication skills; to work in groups; and to learn about their function in society, in their community coexisting with other youth. They indicated that their parents or their families are usually not aware of what Transition is, the services that are being offered by the VRA, the eligibility criteria, and the individuals' rights. They therefore recommend developing orientation and training strategies for parents. The staff also identified as a limitation the lack of formal diagnoses and the limited therapeutic services for these young people

c. This professional staff understands that **private or public school youth** are being shoved between the importance and the guarantee of the services these students with disabilities are entitled to, are offered, and could be available. In a very particular way, they pointed out that reasonable accommodations as a service are not equally provided as per student needs and rights. They pointed out that schools are currently having a lack of specialized staff with sufficient knowledge about vocational evaluations and related matters. To that effect, they recommend the VRA staff to play a more active role by visiting schools, with the main objective of giving orientation and disseminating information regarding the VRA services offer.

14. The general conclusions reached by these focal groups were as follows:

a. **Focal Group Number 1** - Consisted of PRDOL, municipality and DE staff, all operating under WIOA(2014): Title I Programs - Youth, Adults and Dislocated Workers; Title II Programs - Adult Education; Title III - Wagner-Peyser (WP); and Title IV - Vocational Rehabilitation Administration (VRA). See section (j)(1)(D)-*Vocational Rehabilitation needs for individuals with disabilities, served by other workforce system components.*

b. **Focal Group Number 2** - Advocates and those servicing to a transitioning population, from school to post-secondary life. The expressions of Focal Group 2 help us arrive at the conclusion that according to participant experiences, the DE is not implementing independent living skills because it does not have the resources, and the ones they do have, are damaged. They are also, not implementing pre-employment skills as required by law. PEI includes these services which are scarcely offered, because their institutional priority seems to be on academic skill-development. In the PEI development processes, student participations seem to be minimal. Even though in PEI, the parents are the students' representatives, they sometimes act as facilitators, just as well as barriers in transition procedures; some due to their overprotection and others for lack of interest. The amount of TAs at the VRA is not enough; and their participation in COMPU meetings is minimal, all in comparison to what is expected of parents and professionals alike, according to legal mandate.

c. **Focal Group Number 3**: VRA consumers who received transition services from school to post-secondary education. This group agreed with those in Groups 1 and 2 when they established that the transition process does not begin at age 16 or at age 14, if necessary, but that it varies from case to case. Pre-employment and independent living skills are not being fully developed. The TAs are not enough to carry out transition work, and in the majority of cases, they arrive at the VRA as self referrals. Participants agree when saying that there is a definite need to increase TAs and Rehabilitation Counselors (RC) in schools in order to make the transition process a bit smoother. They also point out that the process of selecting the vocational goal is not uniform **Most participants are satisfied with the services they receive in the ARV after being eligible, except for delays in vocational evaluations, maintenance and transportation payments, purchase of materials and placement process.** Participants recognized that parental over protectiveness, in occasions, can limit participant development.

d. Focal Group 4 composed of fathers, mothers and tutors: This group achieved consensus regarding the DE, with regards to the fact that they are non-compliant with state and federal statutes, same as with other state agencies under Law 51, signed in 1996. Participants concur in that the DE and the VRA are not starting their transition services on time, and what the PEI goes about doing, does not always materialize. Participants added that interagency coordination is inefficient, and that the DE is inadequately developing skills in independent living and pre-employment. Vocational evaluation procedures were pointed out as also being given inefficiently, because they don't have a specially trained staff, nor do they have an adequate, evaluation system. TA participation at the COMPUs is not enough, and VRA's evaluation procedures delay too much. Transition procedures must be based on functionality and not on limitations. The integration of RC in schools is recommended to help in the identification of necessary skills in the PEI and to put them into practice in a sensitive and accessible way.

e. Focal Group Number 5: DE and VRA staff participating in current transition processes
In Focal Group 5 participants concurred in saying that the transition process varies according to scenario, resources, and student needs. Not always are the services rendered, according to current law. TAs participation in COMPUs is insufficient, so VRA must hire more TAs. DE must recruit RCs to work from the schools themselves. The DE's Vocational Evaluation units do not have the necessary staff, nor the necessary evaluation system. According to participants, independent living (IV) skills and pre-employment are hardly developed by the DE. They concur saying that their priority is in academics, and that the DE does not have an IV nor a pre-employment curriculum. The DE does not contemplate a future for those with more significant disabilities, reason for their remaining at home after reaching 21 years of age. The group comes together when they state that the DE staff should be academically trained to work with people with disabilities. All those involved must have knowledge about the transition process, although at this moment it is not a uniform process and many agencies are non-compliant or create barriers in the process. This group concurs with the previously stated fact that parents may become facilitators, as well as stepping stones or turn into steep barriers for their own children to overcome in the process.

VI.VR(j)(1)(A) with the most significant disabilities, including their need for supported employment services;

The professionals that made up the General Group, of which 75% came from CRV Case Managers, were asked about **supported employment and other VR services needs of people with most significant disabilities**. The 10 services were classified as **very necessary for the majority of those surveyed**, emphasizing on services: *3 - Evaluation in real job scenarios (ecological evaluation)*, *4 - Evaluation to determine pre-employment needs*, and *9 - Supported Employment* as the services with the most support for being **most in need** (90%, 91% and 84%, respectively). Regarding the frequency of the availability of services at the VRA, it is important to point out service: *3 - Evaluation in real job scenarios (ecological evaluation)* classified as **very necessary** by 90% of those

surveyed, which was at the same time classified as **not available** by 43% of them; at the same time, service number *10 - Extended Support* classified as **very much in need** by 70% of those surveyed and classified as **unavailable** by 23% of them.

VI.VR(j)(1)(B) who are minorities;

In Puerto Rico, 99.03% of the population is of Latino-Hispanic origin. Therefore, the ARV considers that there is no need to establish a procedure to identify persons with disabilities belonging to minority groups.

VI.VR(j)(1)(C) who have been unserved or underserved by the VR program;

The VRA staff that participated in the survey was asked with respect to **sectors or groups that could be receiving services or are underserved when compared to the expected levels**. The three (3) identified groups by all sectors surveyed included persons with include people with hearing impairments (including deaf-blind), Autism Spectrum Disorder and people with most significant disabilities. An additional group was the students with disabilities not eligible for Special Education services (Section 504).

VI.VR(j)(1)(D) who have been served through other components of the statewide workforce development system; and

For this section, focal group opinions from PRDOL, municipalities and DE staff operating under WIOA were used: Title I Programs - Youth, Adults and Dislocated Workers, Title II Programs - Adult Education, Title III Programs - Wagner-Peyser (WP), and Title IV - Vocational Rehabilitation Administration (VRA) Programs. After analyzing Focal Group Number One's remarks, we may conclude that its participants concur regarding Title II and III services under WIOA (2014) as being underutilized by the DE, because hardly any cases are being referred from the agency, and those that do arrive, are mainly self-referred. Their comments come together about the lack of independent living skills and pre-employment skills in youth applying to Title II, III, and IV programs services who were DE students. Besides, independent living and pre-employment skills, it is important that the DE develop skills for placement. Title I, II and III staff require people with disabilities management training and specialized staff in these areas because they depend on VRA's Rehabilitation Counselors.

VI.VR(j)(1)(E) who are youth with disabilities and students with disabilities, including, as appropriate, their need for pre-employment transition services or other transition services.

The service needs among students with disabilities was analyzed by **four (4) groups or professional categories, be it: TA, CAA General and DE**. The more important results of such analysis are as follows:

- a. **Comparative analysis by Professional Group of the needs of students with disabilities receiving special education services** - The service identified as the major need by these professional groups was **Career Exploration Counseling**. It stands out from **services that include practical experience for students (be it work-based learning experiences with on-site visits or job shadowing, or direct job experience - trial work experiences) constituted their top priority need**. This fact becomes more important when observing that according to the opinion of all the professional groups, the identified services are **either not offered or offered in limited occasions**. Of the four (4) compared groups (TA, CAA, GEN and DE), three (3) presented a trend, moderate coincidence, or strong opinions when aligning their priorities or pre-employment transition services needs for students with disabilities receiving special education from the DE. The groups that significantly correlated between themselves are CAA, GEN and DE, correlating between moderate-high and high. The TA group presented low and non-significant correlation indexes when compared to the other three groups, a finding that could be expected when considering that the roles of this professional allow a very particular understanding and identification of needs.
- b. **Comparative analysis by Professional Group, of pre-employment transition service needs for youth ages between 14 to 21, that could be receiving special education services or under Section 504 (ADA)** - Analyzing the opinion of these professionals, when it comes to the needs of pre-employment transition services for these students, one may conclude that every professional group coincided by stating that their principal needs lie in **the evaluation of assistive technology services, therapeutic services evaluation, occupational exploration, the timeliness of the service, and the vocational evaluation**. These results increase in importance when you observe that according to the opinion of the professional groups, **the identified services are not offered or offered in limited occasions**. Exception to this is that the DE staff understands that the assistive technology services evaluation and the therapeutic services are being offered regularly at the DE. When comparing groups, one may observe correlating indexes between moderate highs and moderate lows not statistically significant for 5 of the 6 comparisons made. This data suggests that, even though the professionals in the groups coincided in identifying major service needs, they did not show high congruency when priorities were placed in order of need with regard to the previously-identified transition services.

The service needs were also analyzed **according to the Region of the ARV in which the professional works**. In this analysis, DE professionals were not included. The main results were as follows:

- a. **Comparative analysis, per VRA Region, of the needs of students with disabilities receiving special education services** - One observes that services 1, 4, 7, 8, 10 and 17 have the highest average, and were selected by the majority of the groups, or by the majority of the professionals regarding them as the services mostly in need. Among these are 1(78%), 7 (65%), and 10 (67%) as the highest numbers, suggesting that the professional groups stated that these were the services mostly needed: **1-Career**

Exploration Counseling in schools including information about on demand careers and industry sectors; 7 - Work-based learning experiences with on-site visits to the job-place in order to find out the required skills per occupation; and 10-Job experiences to explore student-interest areas that will include occupational practice and short-term employment (seasonal, summer). The same as in analysis by professional groups', the comparison by region allows us to identify that **Career Exploration Counseling** was identified as of the most need by all participating professionals in every regions. **Services that include practical experience for students (be it work-based learning experiences with on-site visits or job shadowing, or direct job experience for interest exploration - trial work experiences)** constitute the highest needs. These results must be analyzed taking into consideration that according to the opinion of the professional groups of all regions, the identified services are **not offered or offered in limited occasions**. It is observed from the correlational analysis that there was a high congruence and consistency among the professionals of the regions when assign priority or hierarchy to the previously identified needs as more pressing.

- b. **Comparative analysis per VRA region, of pre-employment transition-service needs for youth between the ages of 14 to 21, that could be receiving special education services or under Section 504** - Results observed were that services number 1(80%) , 2 (72%), 11 (75%), and 12 (68%) has the high average percentiles selected by all or the majority of professional groups and labeled as the needed services. The aforesaid suggests that the majority of the professional groups surveyed, per VRA region, selected the following needs as those mostly in need: **1-Assistive Technology Needs Evaluation (AT); 2-Therapeutic Service Needs Evaluation (physical therapy, occupational therapy, and psychological therapy), 11-Receive timely therapeutic services, and 12-Vocational Evaluation**. The evaluation to determine **Assistive Technology needs** received firm endorsement from all regions, suggesting that the service is needed in all of Puerto Rico. Similarly, the previously-mentioned services were recognized as of **high need for evaluation, and on time delivery of therapeutic services and vocational evaluations**. The same as in previous analysis, major needs are **not offered or offered in limited occasions**. In synthesis, there was congruency in identifying which were the priority needs, but not in a relative order of adjudication in the majority of regions.
- c. **Comparative analysis per VRA region, of pre-employment transition services needs that could be observed among students with disabilities receiving services from accredited post-secondary programs (private schools, technological institutes, universities, among others):** The professionals in the 6 regions coincided in identifying services 5 (64%), 10 (67%), 12 (56%), and 16 (63%) as those with the highest percentiles, suggesting that in their opinion these are the services most in need. The services are: **1- Academic tutoring; 5-Classroom accommodations or modifications; 10- Student career exploration for those with very low academic achievement; 12-Affective counseling for transition and adjustment process (self advocacy skills, empowerment); and 16-Academic counseling (studying techniques, academic planning)**. *Counseling in career-exploration services for students with low academic*

achievement, accommodations or modification in the classroom and academic counseling, received the highest average percentiles. Participant opinions regarding frequency of availability varies according to the service. For example, participants reported academic tutoring as regularly available; **but career-exploration counseling and affective counseling were not offered or offered in limited occasions.**

- d. **VRA's comparative analysis, per VRA region, regarding other vocational rehabilitation services for students and youth up to 24 years of age, and current VRA consumers** - The professionals in the six (6) regions coincided in identifying services 2(69%), 4(79%), and 5(74%) as the mostly needed. These services show the highest average results, and were selected by all or by the majority of the professionals in the region. The services were: **2- Supported Employment; 4- Job-searching Assistance; and 5- Job-placement Assistance. All three (3) services are employment focused; search, placement and supported employment mode. The professionals in all regions also coincided in pointing out that these are regularly offered services.** The correlated analysis performed lets you identify the responsive trends among regions, the more frequently endorsed activities from participating professionals. One sees that of the 15 correlations performed, 6 had significant correlated significance: San Juan-Ponce ($r = .899$; $p < .05$); Bayamón-Mayaguez ($r = .899$; $p < .05$); Bayamón-Ponce ($r = .899$; $p < .05$); Caguas-Ponce ($r = .886$; $p < .05$); Caguas-Arecibo ($r = .943$; $p < .05$); y Mayagüez-Ponce ($r = .886$; $p < .05$). The previous correlation indexes are described highs, suggesting that the professionals in these regions were consistent in assigning a relative priority or hierarchy to the identified needs. The remaining correlations were not significant, fluctuating between moderate low and moderately- high, which lets us to conclude that in the rest of the comparisons made between regions, there were no high correlations when assigning priorities.

See also the general conclusions from the focal groups presented in item 13 of the General Conclusions at the beginning of section (j)(1)-*Results from the Statewide Needs Assessment, on Vocational Rehabilitation Services for people with disabilities in Puerto Rico.*

VI.VR(j)(2) Identify the need to establish, develop, or improve community rehabilitation programs within the State; and

Section D of the General Group survey to professionals from the VRA was developed with the main purpose of finding out the VRA's surveyed opinions regarding **the need to establish, develop or improve community rehabilitation programs.** The section consisted of four (4) concrete questions aimed at differently related aspects of **Community Rehabilitation Programs (CRP)** that are or could be under contract by the VRA.

Based on their professional experience in the ARV and the vocational rehabilitation services needs of the ARV consumers, respondents answered the following to the first question:

1. Do you believe that there are enough CRPs on the Island able to satisfy VRA consumers needs?

ANSWER: The majority of the participants (68%) answered NO, that there are not enough CRPs in Puerto Rico. The detailed answers given by the participants may be distributed as follows:

Yes - 29 (18%)

No - 109 (68%)

No answer - 22 (14%)

The opinion of the majority of VRA participants is that **there are not enough CRPs to keep up with the supported employment services demand**. According to the surveyed professionals, the limitation of CRPs negatively affects goal and indicator achievement possibilities, because the consumers have to wait for long periods of time before receiving services. The mostly affected areas seem to be the rural-mountainous regions. Regarding the services offered by the PRCs, there seemed to be a consensus to demand more specialized trained staff of the CRPs and improve the control of the ARV on the service processes that the CRPs perform. Several participants pointed out that the main challenge is not the CRPs limitations, but the lack of competitive employment on the Island. **Hand-in-hand with this observation, the need for the employers to be more sensitive toward people with disabilities rights, as well as the recognition of their potential being a must.**

For more information regarding findings and recommendations related to CRPs see section (j)(1)(A).

VI.VR(j)(3) Include an assessment of the needs of individuals with disabilities for transition career services and pre-employment transition services, and the extent to which such services are coordinated with transition services provided under the Individuals with Disabilities Education Act.

All of the surveyed sectors coincide in pointing out the need to improve, or develop from the beginning, interagency coordination procedures as a pre-requisite for pre-employment transition services to be achieved according to the statutes of law. It is inferred the need for services and procedures to be more uniform throughout the regions, including active participation from consumers and also from their family.

The limited interagency coordination negatively affects and dilutes the services and procedures of eligibility for the VRA, maintaining inequality in the services rendered, by region and per school, creating lack of information to be given to future consumers, their families and education staff.

For more details regarding needs see section (j)(1)(E)-*Vocational Rehabilitation needs, among youth and students with disabilities including, as applicable, the need for pre-employment transition services, among other transition services.*

VI.VR(k) Annual Estimates. Describe:

VI.VR(k)(1) The number of individuals in the State who are eligible for services.

The PRVRA has estimated the provision of VR services (consumers with implemented service plans) to 38,660 persons with disabilities, during 2018 and 2019. The purpose is to assist them in achieving an employment outcome and a more independent living.

Although the agency is not under an Order of Selection, WIOA emphasizes the provision of services to the population with the most significant disabilities. The following is a breakdown by priority category and estimate of consumers to be served:

BREAKDOWN BY PRIORITY CATEGORY AND ESTIMATE OF CONSUMERS TO BE SERVED

Priority category | Funds (\$) | Title | Consumers to be served | Average cost of services

I. Most significant disabilities | 6,970,412 | I | 16,599 | 420 | 300,000 | VI-B | 25 | 12,000.00

II. Significant disabilities | 5,410,540 | I | 12,371 | 437

III. Non-significant disabilities | 4,226,984 | I | 9,665 | 437

Source: PRVRA.

The following section provides a description of the service areas and the breakdown of projected costs for 2018 and 2019: **SERVICE AREAS AND THE BREAKDOWN OF PROJECTED COSTS**

Service area | Funds (\$) | Title I or VI-B | Estimated customers to be served | Average cost of services (\$)

Assessment (Purchased services) | 0 | I | 0 | 0.00

Physical and mental Restoration | 109,772 | I | 21,410 | 5.13

Training | 6,204,844 | I | 21,272 | 291.69

Maintenance | 3,945,871 | I | 80,489 | 49.02

Transportation | 3,934,845 | I | 64,686 | 60.83

Personal assistance (personal aides) | 534,921 | | 946 | 565.46

Assistive Technology | 1,103,988 | | 1,176 | 938.77

Post-employment | \$0.00 | | 15 | 0.00

Small businesses, other | 445,631.29 | | 102 | 4,368.93

Supported Employment services | 1,975,128 | | 867 | 2,624.14

Community Rehabilitation Programs contracting | 300,000 | VI-B | |

Total | **18,555,000.29*** | | VI-B | **190,963**** | **9,123.06**

* Amounts are based on figures approved in the budget for FY 2017 and RSA-2 Federal Report. ** Consumers who receive duplicate variety of services depending on the nature of it. (Ex. A consumer may receive training support services, transportation, personal care, etc., and also be getting assistive technology services among others. Therefore, the estimated number of consumers to be served without duplicating is 38,660.

VI.VR(k)(2) The number of eligible individuals who will receive services under:

VI.VR(k)(2)(A) The VR Program;

Please, refer to section VI.VR(k)(1), above.

VI.VR(k)(2)(B) The Supported Employment Program; and

Please, refer to section VI.VR(k)(1), above.

VI.VR(k)(2)(C) each priority category, if under an order of selection.

Not applicable.

VI.VR(k)(3) The number of individuals who are eligible for VR services, but are not receiving such services due to an order of selection; and

Not applicable.

VI.VR(k)(4) The cost of services for the number of individuals estimated to be eligible for services. If under an order of selection, identify the cost of services for each priority category.

Please, refer to section VI.VR(k)(1), above. Order of selection not applicable.

VI.VR(I) State Goals and Priorities. The designated State unit must:

VI.VR(I)(1) Identify if the goals and priorities were jointly developed and agreed to by the State VR agency and the State Rehabilitation Council, if the State has a Council, and jointly agreed to any revisions.

Please, refer to sections VI.VR(I)(2), below.

VI.VR(I)(2) Identify the goals and priorities in carrying out the VR and Supported Employment programs.

The PRVRA, in partnership and collaboration with the State Rehabilitation Council (SRC), has identified the following goals and priorities needed to carry out the vocational rehabilitation and supported employment programs.

Goal 1

Strengthen the services provision process of applicants/consumers of the PRVRA; emphasizing on compliance with performance indicators and productivity measures established by the federal government and the public policy of the agency.

Priorities:

1. Continue to provide services to applicants/consumers, and technical assistance to counseling services staff for the compliance and data collection of the new performance indicators established by WIOA.
2. Collaborate with the “core-programs” in order to develop: integrated processes for the service delivery; and forms and processes for collection of common data elements to identify individuals served by more than one “core-program”.

Goal 2

Ensure the provision of services to eligible youth with disabilities, and pre-employment transition services to students with disabilities coming from transition, so that they are able to achieve an employment outcome.

Priorities:

1. Maintain the level of participation of school staff, parents and students with disabilities on orientations related to VRA services, including Transition and Pre-Employment Transition services.

Goal 3

Strengthen the relationship with employers to identify opportunities for competitive integrated employment, situational assessments and career exploration.

Priorities:

1. Expand competitive integrated employment opportunities for people with disabilities.

Goal 4

Maintain the process of dissemination of the PRVRA services in accordance with the eligibility criteria and provision of rehabilitation services to the persons with disabilities.

Priorities:

1. Continue to disseminate the impact on changes in legislation and how VRA services and the integration of core programs under WIOA can help people with disabilities to achieve an employment outcome.

Goal 5

Strengthen the administrative, fiscal and programmatic procedures to comply with the regulations established and the institutional efficiency required.

Priorities:

1. Continue with the analysis of the operational performance and needs for its improvement.

These goals and priorities were developed taking into account the findings from the *Comprehensive Statewide Needs Assessment of Rehabilitation Needs* and the Amendments set forth in WIOA, among others.

VI.VR(I)(3) Ensure that the goals and priorities are based on an analysis of the following areas:

VI.VR(I)(3)(A) the most recent comprehensive statewide assessment, including any updates;

Please refer to sections VI.VR(j) and (I)(2), above.

VI.VR(I)(3)(B) the State's performance under the performance accountability measures of section 116 of WIOA; and

Please refer to sections VI.VR (l)(2), Goal 1, above.

VI.VR(l)(3)(C) other available information on the operation and effectiveness of the VR program, including any reports received from the State Rehabilitation Council and findings and recommendations from monitoring activities conducted under section 107.

Please refer to sections VI.VR(l)(2), above.

VI.VR(m) Order of Selection. Describe:

VI.VR(m)(1) Whether the designated State unit will implement an order of selection.

A. The order to be followed in selecting eligible individuals to be provided VR services.

Not applicable.

B. The justification for the order.

Not applicable.

C. The service and outcome goals.

Not applicable.

D. The time within which these goals may be achieved for individuals in each priority category within the order.

Not applicable.

E. How individuals with the most significant disabilities are selected for services before all other individuals with disabilities; and

Not applicable.

VI.VR(m)(2). If the designated State unit has elected to serve eligible individuals, regardless of any established order of selection, who require specific services or equipment to maintain employment.

Not applicable.

VI.VR(n) Goals and Plans for Distribution of title VI Funds.

VI.VR(n)(1) Specify the State's goals and priorities for funds received under section 603 of the Rehabilitation Act for the provision of supported employment services.

The PRVRA has developed the following goals and plans for the distribution of Title VI, Part B funds:

Goal A

Serve at least 200 new consumers in the supported employment modality.

Goal B

Maintain a level of satisfaction of 85% of those consumers who received supported employment services at the closure of the case.

Plans:

- Use other sources of funding, in addition to the ones from Title VI, Part B, needed to expand the provision of supported employment services.
- Contract and support community rehabilitation programs (CRPs) throughout the Island so that at least 80 consumers, who received supported employment services, are able to achieve an employment outcome.
- Strengthen the provision of supported employment services through training and technical assistance to the staff of the CRPs. The Office of Support and Employment Modes (OSEM) and the centers of support and employment modes (CSEMs) will provide such technical assistance in aspects such as:
 1. Guidance to new proponents about supported employment services, as requested.
 2. Other aspects related to the provision of supported employment services and extended supports services
 - Continue administering satisfaction surveys of the consumer in terms of the services received in the CRPs and in the CSEMs, in order to identify areas to be strengthened or improved.
 - Continue conducting monitoring interventions to the CRPs in order to validate compliance with the provision of services established in the contracts.
 - Explore in the community, in agencies, in the state legislature and in social interest groups; the availability of gathering funds to the PRVRA for the provision of supported employment services.

Distribution of Title VI, Part B funds:

The estimated total of projected funds for the provision of supported employment services for is \$2,275,128 distributed as follows: \$300,000 from Title VI-B for the

contacting of a CRP; and \$1,975,128 from Title I for the contracting of other CRPs and for expenses related to the supported employment services.

VI.VR(n)(2) Describe the activities to be conducted, with funds reserved pursuant to section 603(d), for youth with the most significant disabilities, including:

The PRVRA will continue to establish contracts with CRPs in order to provide supported employment services to individuals with the most significant disabilities, including youth.

VI.VR(n)(2)(A) the provision of extended services for a period not to exceed 4 years; and

The PRVRA will make available resources for extended services for a period not exceeding 4 years. These services will be provided through contracting of CRPs. CSEM Analysts will receive the request for extended support services from employers and will negotiate with the CRP the service to be provided and the number of interventions needed to stabilize individual in employment. An authorization for services document will be created on the case management system.

VI.VR(n)(2)(B) how the State will leverage other public and private funds to increase resources for extended services and expanded supported employment opportunities for youth with the most significant disabilities.

The PRVRA will explore in the community, agencies, organizations, legislature and social interest groups, the availability of funds to the PRVRA for the provision of supported employment and extended services for the youth with the most significant disabilities. As part of those efforts, in 2016 the Agency signed a collaborative agreement with the State Council on Developmental Disabilities for the optimization of interagency resources, develop a community support network in favor of individuals with the most significant disabilities, including youth, employment activities to promote inclusion of these population into integrated work settings, activities or projects to provide extended services, among others.

VI.VR(o) State's Strategies. Describe the required strategies and how the agency will use these strategies to achieve its goals and priorities, support innovation and expansion activities, and overcome any barriers to accessing the VR and the Supported Employment programs (See sections 101(a)(15)(D) and (18)(B) of the Rehabilitation Act and section 427 of the General Education Provisions Act (GEPA)):

VI.VR(o)(1) The methods to be used to expand and improve services to individuals with disabilities.

The PRVRA has identified several strategies needed to achieve the goals and priorities established in Section (I), above.

Goal 1

Strengthen the services provision process of applicants/consumers of the PRVRA; emphasizing on compliance with performance indicators and productivity measures established by the federal government and the public policy of the agency.

Strategies:

- Strengthen the coordination with the PRDOLHR to know employment trends and types of employers.
- Continue implementing employment projects through the development of self-employments.
- Continue with the programmatic monitoring interventions and technical assistance to the CRPs, to ensure quality and agility in the services to the consumers with the most significant disabilities.
- Continue the participation of the PRVRA consumers in employment-related activities available in the American Job Centers and other components of WIOA.
- Continue referring consumers, who are beneficiaries of the Social Security Disability Insurance, to the Caribbean Work Incentives Planning and Assistance (CWIPA) Program for the counseling service for benefits planning.
- Share with the PRSRC the Normative Communications governing the provision of services.
- Continue with the programmatic monitoring interventions of the services provision process to ensure compliance with the public policy.
- Continue offering technical assistance to the supervisory staff of counseling services to improve decision-making in case management.
- Refer the PRVRA consumers to the services of other components of WIOA (Title I, Title II, Employment Service and other programs) to expand their job skills.

Goal 2

Ensure the provision of services to eligible youth with disabilities, and pre-employment transition services to students with disabilities coming from transition, so that they are able to achieve an employment outcome.

Strategies:

- Continue with the monthly monitoring of eligibility determinations within 60 days, and planning and signature of IPE within 90 days, of the transition-age youth referred to the PRVRA.
- Maintain the participation of the VR counselor in the meetings of the Programming and Placement Committee (PPC) on transition-age youth.
- Offer Pre-Employment Transition services.
- Continue with the identification of transition-age consumers referred and served in the centers of assessment and adjustment (CAAs).

- Continue with the identification of transition-age consumers referred and served in the centers of support and employment modes (CSEMs) and the results of these youth in the different modes of employment.
- Strengthen relationships between the PRDE and the PRVRA to facilitate the identification of students who can benefit from the transition services.
- Continue providing orientation to the school staff on the services of the PRVRA.

Goal 3

Strengthen the relationship with employers to identify opportunities for competitive integrated employment, situational assessments and career exploration.

Strategies:

- Provide training activities and/or technical assistance to employers on the following: ADA requirements, work based learning experiences, recruitment of qualified people with disabilities, and reasonable accommodations in employment, among others.
- Continue with the granting of salary incentives to employers to promote employment opportunities for consumers.
- Continue with the participation in the meetings of the State and Local Boards of WIOA.
- Maintain active participation of the PRVRA staff in activities that bring together employers.
- Refer to the programs under the *Wagner-Peyser Act*, those PRVRA consumers who have the skills and credentials to be marketed with employers.

Goal 4

Maintain dissemination of the PRVRA services in accordance with the eligibility criteria and provision of rehabilitation services to people with disabilities.

Strategies:

- Continue with the dissemination on the revision of the State Plan to be presented, in order to ensure the participation of applicants/consumers, public at large and agency staff.
- Continue with the participation in dissemination activities in the community by the PRVRA and/or in coordination with the PRSRC, and other “core-programs”.
- Continue with the dissemination of services of the PRVRA in the American Job Centers.
- Continue with the dissemination of services on radio, television and newspapers, as requested by such media.

Goal 5

Strengthen the administrative, fiscal and programmatic procedures to comply with the regulations established and the institutional efficiency required.

Strategies:

- Offer training to the staff to strengthen knowledge and skills needed in the performance of their duties.
- Continue carrying out periodic performance evaluations of the agency staff to ensure institutional efficiency.
- Maintain the financial support level of the Statewide Independent Living Council (SILC) and the State Rehabilitation Council (PRSRC), in order to assist and support their operations and in coordination with the PRVRA, develop employment opportunities and independent living for our applicants/consumers.
- Update administrative, fiscal and programmatic procedures in accordance with established state and federal regulations, and the economic and social situation of the country, as needed.
- Continue to support all areas of the agency in the use of available information (computer) systems, and develop applications to streamline processes, reports and procedures according to the needs presented by areas that, at the same time, are consulted with service/administrative staff.
- Carry out participation meetings with the agency staff on aspects related to public policy.
- Conduct monitoring interventions to ensure compliance with procedures.

VI.VR(o)(2) How a broad range of assistive technology services and devices will be provided to individuals with disabilities at each stage of the rehabilitation process and on a statewide basis.

The PRVRA has the purpose of providing assistive technology services to eligible applicants/consumers who require such services. For this purpose, the PRVRA has the following:

- Procedures, regulations and manuals for the provision of assistive technology services
- VR counselors who refer applicants/consumers to the CAAs for: needs assessment of assistive technology, recommendation and prescription of equipment, delivery and training on the use of equipment, and technical assistance
- Main Unit of Assistive Technology (head office) in the CAA of the San Juan region
- Areas of assistive technology in the CAAs of Arecibo, Ponce, Toa Baja, Caguas and San Germán
- Assistive technology equipment that meets the following needs: Access to a computer; Communication; Alternate support for cognitive deficit; Independent living; Environmental controls; and Visual
- Audiological Clinics in the Arecibo, Caguas and San Juan regions with upgraded equipment of assistive technology for independent living and to facilitate communication with the deaf/partially deaf consumers

- Specialized and certified professionals in assistive technology who provide this type of services
- Opportunities for professional development to keep up to date knowledge of the human resources who provide assistive technology services

In addition, the PRVRA has established a collaborative agreement with the PRATP to offer training to agency staff on new technologies and equipment. The PRVRA may refer consumers for assistive technology services not available in the agency.

VI.VR(o)(3) The outreach procedures that will be used to identify and serve individuals with disabilities who are minorities, including those with the most significant disabilities, as well as those who have been unserved or underserved by the VR program.

In terms of the outreach procedures to identify and serve people with disabilities who are minority, such procedures do not apply to Puerto Rico. The Island is considered a Hispanic or Latino country, with a population of 3,337,177 (Source: U.S. Census Bureau, Census Estimate for 2017). Out of this total, 99.03% is of Hispanic or Latino origin. Therefore, the PRVRA considers that there is no need to implement any type of procedure to identify persons with disabilities who are minority.

The PRVRA has community liaison units, attached to the centers of VR counseling services (CVRCS), operating in the six (6) regions of the agency. These units have a staff that maintains contact with various referral sources such as: schools, hospitals, institutions specialized in the provision of services to the population with disabilities, and public/private agencies. Such staff participates in activities (orientations on VR services, job fairs, among others) for the purpose of expanding the dissemination of information on services and increasing the inclusion of persons with the most significant disabilities.

The agency also remains active and participates in bills that are developed in the state legislature which are related to people with disabilities.

VI.VR(o)(4) The methods to be used to improve and expand VR services for students with disabilities, including the coordination of services designed to facilitate the transition of such students from school to postsecondary life (including the receipt of VR services, postsecondary education, employment, and pre-employment transition services).

Please, see strategies under Goal 2 in section VI.VR(o).

VI.VR(o)(5) If applicable, plans for establishing, developing, or improving community rehabilitation programs within the State.

The PRVRA issues a public notice annually for the contracting of CRPs that provide services to the consumers with the most significant disabilities. It currently has contractual agreements with CRPs throughout the Island. It also provides orientations, technical

assistance and monitoring activities in all stages of the provision of services and during the contractual period between the PRVRA and each CRP. Technical assistance will be provided to all CRPs that have identified areas with some kind of need of improvement during any stage of the monitoring process.

VI.VR(o)(6) Strategies to improve the performance of the State with respect to the performance accountability measures under section 116 of WIOA.

The VRA continues implementing the following strategies to improve state performance with respect to the evaluation standards and performance indicators:

- a. Continue with the practice of sharing periodically statistical information with regional staff.
- b. Articulate intervention plans with regional directors, directors of CVRCS, directors of CAAs, directors of CSEMs, director of the VR Counseling Services Office and director of the Quality Control and Programmatic Management Office in order to comply with the established goals. Priority attention will be given to those regions that have confronted greater difficulty in the compliance of goals and indicators. Regions will develop a work plan based on an analysis of each work zone, the employment situation in the geographical area, and the projections of cases to be served.
- c. The case management system has being modified to register follow up after exit of program participants. The follow up screen includes fields for each WIOA section 116 indicators. A report was also developed by the programmers to facilitate VR staff to have a list of program consumers who exited the program after receiving services and the dates for follow up corresponding to the second and fourth quarters after exit. Instructions were given to regional staff about the importance to perform follow up and capture indicators data.
- d. Particular emphasis will be given to the importance of services to employers, including training or orientations to improve awareness about the benefits to recruit and retain people with disabilities, and also technical assistance after placement.
- e. The PRVRA contacted Department of Labor and Human Resources staff to explore the possibility to receive Unemployment Insurance records to validate WIOA's second and fourth quarters performance indicators information.
- f. The Agency will also refer consumers to other core programs and continue to promote post-secondary education among consumers. Most of PRVRA consumers are receiving training.

VI.VR(o)(7) Strategies for assisting other components of the statewide workforce development system in assisting individuals with disabilities.

The PRVRA has developed the following strategies to assist other WIOA components in the provision of assistance to people with disabilities:

- a. Coordinate the participation of the PRVRA staff in the American Job Centers to channel appropriately the needs of those persons with disabilities who request information and/or services in such centers.
- b. Identify possible referrals to the services of the PRVRA.
- c. Offer to the staff of the American Job Centers, orientation on various topics of interest that are requested and that are related to people with disabilities.
- d. Participate actively in job fairs coordinated by the American Job Centers.
- e. Exchange employment/employer networks.

The strategies previously established will allow the achievement of the goals established in Section (I) of this State Plan.

VI.VR(o)(8) How the agency's strategies will be used to:

VI.VR(o)(8)(A) achieve goals and priorities by the State, consistent with the comprehensive needs assessment;

All of the PRVRA strategies were developed based on the Comprehensive Needs Assessment Study and WIOA amendments in order to reach the goals and priorities established by the State.

VI.VR(o)(8)(B) support innovation and expansion activities; and

The PRVRA will continue identifying innovation and expansion needs. Some of the strategies for doing so are:

- a. Expansion of the provision of services to those persons with disabilities caused by car accidents, through a collaborative agreement with the Administration of Automobile Accident Compensation.
- b. Expansion of the availability of the training resources to the newly recruited staff (e.g. modules), through access to the internal Web page of the agency (Intranet).
- c. Continuation with the use of the video remote interpretation technology for the deaf persons.
- d. Continuation with the financing of the SRC and the SILC to assist and support their operations as well as to develop, together with the PRVRA, better employment opportunities and independent living for our applicants/consumers.

VI.VR(o)(8)(C) overcome identified barriers relating to equitable access to and participation of individuals with disabilities in the State VR Services Program and the State Supported Employment Services Program.

The PRVRA has available and accessible services to all individuals with disabilities. In order to promote the participation in VR and SE services, the agency staff participates in community orientation activities. There are no differences in terms of availability of services for particular disabilities, cultural or racial groups. Also, the PRVRA performs the

necessary steps to continue to ensure that our facilities are accessible to all individuals with disabilities.

VI.VR(p) Evaluation and Reports of Progress: VR and Supported Employment Goals.
Describe:

VI.VR(p)(1) An evaluation of the extent to which the VR program goals described in the approved VR services portion of the Unified State Plan for the most recently completed program year were achieved. The evaluation must:

VI.VR(p)(1)(A) Identify the strategies that contributed to the achievement of the goals.

Goal 1: Strengthen service delivery procedures for the applicant/consumer at the Vocational Rehabilitation Administration (VRA), emphasizing compliance with the performance indicators and productivity measures established by the Federal Government and the agency's public policy.

Strategy:

- Strengthen the coordination with the Department of Labor and Human Resources of Puerto Rico (PRDOLHR), to know employment trends and types of employers.

Progress Report:

In 2017, Centers of Support and Employment Modes (CSEMs) staff received several publications or brochures from PRDOL's State Bureau of Labor Statistics, some of them were: *Business Employment Dynamics*; *Industrial Composition by Municipality* (quarterly); *Covered Employment and Wages*. With these publications and brochures, workshops were developed for consumers, and in some occasions, staff from the PRDOL's State Bureau of Statistics participated as resources. CSEMS carried out 23 different activities with the PRDOL, in order to identify employment trends and types of employers within today's labor market.

Office of Support and Employment Modes (OSEM) received between 5 and 10 employment offers daily, from a variety of employers. Once received, they are referred to CSEMs for analysis and to identify possible consumers that might benefit from these employment alternatives. The VR Counseling Services Office (VRCSO) referred 68 employment offers to OAME.

Strategy:

- Continue implementing employment projects, through the development of self-employment.

Progress Report:

CSEMs gave 798 workshops on job searching and helped to prepare resumes, among other topics. They offered 438 counseling sessions and/or technical assistance workshops to consumers, about proposal development and evaluations. The Regional Proposals Evaluation Committee reviewed 43 Business Plans as presented to them by consumers with a self-employment goal.

Strategy:

- Continue with the programmatic monitoring interventions and technical assistance to Community Rehabilitation Programs (CRPs) to guarantee the quality and agility of services to consumers with more significant disabilities.

Progress Report:

In 2017, eleven (11) reviews were carried out at the CRPs with a 90% positive result in 45% of them.

Strategy:

- Continue the participation of the PRVRA consumers in employment-related activities available in the American Job Centers (AJCs) and other components of WIOA.

Progress Report: The American Job Centers (AJCs) made 200 referrals to the VRA. CSEMs gave 190 orientations at the AJCs. The Vocational Rehabilitation Counseling Services Centers (VRCSC) gave 148 orientations at the AJCs and 201 participants benefitted from them.

The Quality Control and Programmatic Management Office (QCPMO) issued *Comunicación Normativa Número 2017-04* titled “The Role of the VRA at the AJCs and Referrals Form” (*El Rol de la Administración de Rehabilitación Vocacional en los Centros de Gestión Única y Formulario de Referido de la ARV a los CGU*).

Strategy:

- Continue referring consumers who are beneficiaries of the Social Security Disability Insurance, to the Caribbean Work Incentives Planning and Assistance (CWIPA) Program for the benefits planning counseling service.

Progress Report:

Also in PY 2017, Benefits Planning counseling services were certified as provided, by CWIPA, to 19 consumers.

Strategy:

- Share with PRSRC the Normative Communications governing the provision of services.

Progress Report:

In PY 2017, three (3) official public policy documents were shared with the SRC. They were regarding: VRA's Role at the AJCs; Occupational Licensing; and Follow-up Data Registration for WIOA Compliance.

Strategy:

- Continue with the programmatic monitoring interventions of the services provision process to ensure compliance with the public policy.

Progress Report:

VRCSO carried out internal monitoring reviews to evaluate service delivery processes, case file closures at St. 08., St. 26, and corrective actions to guarantee service provision, with the following results:

2 internal reviews regarding services rendered to 18 reviewed case files

1 internal review about St.08 closures of 120 reviewed case files

1 internal review regarding tuition payments in 4 reviewed case files

1 internal review of 26 closures in 10 case files

1 internal review of eligibility determinations in the 3 case files reviewed

134 corrective action files were reviewed in order to ensure quality in the services given to VRA consumers

QCPMO carried out a monitory of 37 case files to evaluate service delivery process, including significant disability classification and employment goal selection, among other aspects, and shared results with counselors and their supervisors. QCPMO also made a report available to regional staff in order to help them identify plan for services to be updated and case notes follow up.

Strategy:

- Continue offering technical assistance to supervisory staff of counseling services to improve decision-making in case management.

Progress Report:

QCPMO gave technical assistance and orientation to the Counseling Supervisors in support of VRA's Counselors, so that they could attain their goals. The following activities were held:

1. Offered phone assistance, to the VR Counseling Supervisors, regarding alternatives for goal attainment.
2. Developed and shared, with the CRVs and their supervisors, a report on Plan for Services and Case Notes. The purpose is to identify cases in need of follow up.
3. Continued with monthly reports regarding accomplished goals per counselor, in every VRA region.

VRCSO had meetings with Directors and Supervisors of the VR Counseling Services Centers to analyze goals compliance. Seven (7) meetings with 34 participations.

Strategy:

- Refer VRA consumers to the services of other components of WIOA (Title I, Title II, Employment Service and other programs) to expand their job skills.

Progress Report:

VRA referred 198 consumers to WIOA's partner programs at the AJCs.

Goal 2: Guarantee the provision of services to eligible youth with disabilities; and pre-employment transition services to students with disabilities coming from transition, so that they are able to achieve an employment outcome.

Strategy:

- Continue with monthly reviews of eligibility determinations in 60 days or less, and planning and signing of PIPEs within 90 days or less, of youth referred to the PRVRA through the Transition process.

Progress Report:

QCPMO reviewed performance compliance with the indicated measuring criteria. VRA reached 92.68%* of their eligibility determinations of consumers between the ages of 14 to 24 within 60 days or less; 93.26% in Action/Development Plans 90 days or less; and 97.34%* in the Development Plans within 90 days or less for transition-age youth (ages between 14 to 24) who achieved an employment outcome.

*Before June 30, 2017, compliance statistics were generated within the Federal Fiscal Year, from October 1st to September 30th. Due to federal regulation changes, VRA had to adjust indicators and reporting periods starting July 2017. That is the reason why the percentages presented cover from October 2016 to June 2017 (only 9 months).

VRCSO performed monthly reviews to Vocational Rehabilitation Counselors (VRCs) regarding eligibility determinations; the planning and signing of individualized plans for employment, including those referred from transition, having the following results:

989 reviews

4,141 reviewed case files

Strategy:

- Increase the participation of the VR counselor in the meetings of the Programming and Placement Committee (COMPU-Spanish acronym) on transition-age youth.

Progress Report:

Rehabilitation Counseling Analysts/Transition Analysts referred to CRVs 4,002 youth with disabilities from Transition, and achieved a total of 1,434 participations in COMPU meetings. VRCs achieved a total of 136 participations in COMPU meetings.

Strategy:

- Offer pre-employment activities in schools.

Progress Report:

Assessment and Adjustment Centers (CAA-Spanish acronym) and Units (UAA-Spanish acronym) carried out pre-employment activities for students from the Department of Education, accomplishing the following:

Participation of 89 students

13 Department of Education staff members participations

71.25% satisfaction rate in their activities

The Mayaguez Region gave 8 workshops on a variety of subjects, related to employment opportunities, pre-employment occupational skills and job requirements, impacting 197 junior and senior high school students.

The Assessment and Adjustment Office, the Support and Employment Modes Office and the VR Counseling Services Office of the PRVRA, planned and coordinated a variety of activities leading toward developing Work-based learning experiences for students in their transition process, as required by WIOA.

1. In July of 2016 a closure activity was coordinated for the 10 students from transition who participated in the Work-based learning experience held in June of 2016 at the Program-Industry for the Blind and those with other physical, mental and developmental disabilities.
2. In June of 2017, seven (7) employers loaned their facilities, and 56 transition students from the 6 regions of the VRS participated in a Work-based learning experience. Previously, 9 meetings had been held for a total of 78 participants at the regional level regarding the corresponding planning.

The Administrator's Office:

1. Developed the project's protocol: Work-based Learning Experiences in State Government Agencies that started in the month of July, 2017.
2. Developed a protocol to carry out the project: Pre-Employment Transition Services Fair.

Strategy:

- Continue with the identification of transition-age consumers referred and served in the Centers of Assessment and Adjustment (CAAs).

Progress Report:

CAA/UAA received 1,908 referrals of transition age youth and provided a total of 1,678 services.

Strategy:

- Continue with the identification of transition-age consumers referred and served in the Centers of Support and Employment Modes (CSEMs) and the results of these youth in the different modes of employment.

Progress Report:

310 consumers from Transition were referred to the CSEMs. 82 consumers from Transition, served by CSEMs, achieved an employment outcome in the following modes:

1. Competitive Employment: 37
2. Supported Employment: 35
3. Self Employment: 10

Strategy:

- Strengthen relationships between the PRDE and the PRVRA to facilitate the identification of students who can benefit from the transition services.

Progress Report:

PRVRA participated in 12 meetings of the Special Education Consulting Committee.

In addition to the relationship with the DE, the ARV formalized a collaboration agreement with Job Corps with the purpose of exchange referrals among programs to provide services to young with disabilities.

Strategy:

- Continue providing orientation to the school staff with respect to VRA's services.

Progress Report:

11,797 orientations about transition process were given to:

5,321 parents

1,886 teachers

4,590 students

Goal 3: Strengthen the relationships with employers, to identify competitive integrated employment opportunities and career exploration.

Strategy:

- Provide training or technical assistance to employers regarding: ADA requirements, work based learning experiences, recruitment of qualified people with disabilities, and reasonable accommodations, among others.

Progress Report:

In 2017, CSEMs carried out the following activities with employers:

1. In July of 2016, an interactive workshop for 8 consumers with Sur Copy employer. The workshop topic was *The Interview Process by an Employer*, and as part of it the employer carried out real job interviews and provides feedback to those consumers about their performance during the interview.
2. In July of 2016, an orientation about VRA services was given to 20 employers from different agencies and enterprises.
3. In February of 2017, a Question and Answer dynamic activity was given with Quality Care Hospice, the employer.
4. Day of the Mentor was held in April of 2017 with Hewlett Packard.

VRA gave: orientation to employers on salary incentives, affirmative actions and VRA services; technical assistance regarding the “Ticket-to-Work” Program. 4,417 employers were contacted, including small business so that they would come forward and recruit VRA consumers.

Strategy:

- Continue with the granting of salary incentives to employers in order to promote employment opportunities for VRA’s consumers.

Progress Report:

VRA formalized 10 wage-incentive contracts, where 18 consumers benefitted.

Strategy:

- Continue with the participation in the meetings of the State Board of WIOA

Progress Report:

VRA staff participated in 43 meetings held by the State and Local WIOA Boards.

VRA attends monthly, or as convened, meetings with public and private agencies, so as to integrate efforts on behalf of people with disabilities, with the following: Employers’ Committee; Grant Reviewing Committee; Monitoring Committee; Service Provider Evaluation Committee; People with Disabilities Committee; and the WIOA American Job Centers (AJCs), among others.

Strategy:

- Maintain active participation of the PRVRA staff in activities that bring together employers.

Progress Report:

The VRA participated in:

1. A financial planning and economic incentives seminar for small business employers in October of 2016, for the benefit of 35 employers.
2. Job Fairs where the following topics were discussed: Labor Reform/Law No. 4, signed January 26th, 2017, titled “*Ley de Transformación y Flexibilidad Laboral*”; Dissemination and Reasonable Accommodations in May of 2017 for the benefit of 12 employers.

3. Economic Development Forum: “*El Impacto de la Reforma Laboral*”; PROMESA law and the role of the Federal Fiscal Review Board in PR’s Southwest Economic Development Area; in June of 2017 for the benefit of 16 employers.
4. The forum “Entrepreneurial Innovation, Finance and Development Opportunities in Order to Start a Business”, in June of 2017, for the benefit of 250 employers.
5. A Job and Servicing Fair: “Innovation and Employment Opportunities Encounter” in June of 2017, for the benefit of 47 employers.

OSEM participated in a meeting with Bayamon’s Employers Committee. In PY2017, CSEMs were in contact with 4,417 employers having among them several small-business who might be able to recruit VRA consumers.

Strategy:

- Refer to the programs under the *Wagner-Peyser Act*, those PRVRA consumers who have the skills and credentials to be marketed with employers.

Progress Report:

VRA referred 19 consumers to Wagner-Peyser services.

Goal 4: Continue dissemination of the PRVRA services in accordance with the eligibility criteria and provision of rehabilitation services to people with disabilities.

Strategy:

- Continue with the dissemination on the revision of the State Plan to be presented for public comments, in order to ensure the participation of applicants/consumers, public at large and agency staff.

Progress Report:

During the reporting period, a review of the Unified State Plan was not necessary, because the amendments to the Rehabilitation Act introduced by WIOA, changed the requirement of an VR State Plan yearly to a four years Unified State Plan to be modified at the end of its second year (July 2017 to June 2018) of implementation.

Strategy:

- Continue with the participation in dissemination activities in the community by the PRVRA and/or in coordination with the PRSRC, and other “core-programs”.

Progress Report:

QCPMO in collaboration with the State Rehabilitation Council carried out the Comprehensive Statewide Needs Assessment.

VRCSO gave orientation about the Employment Networks for Social Security Disability Insurance Beneficiaries, at the ACAA facilities [*Administración de Compensaciones por Accidentes de Automóviles*]; and also, on VRA services given to the Department of Justice staff, as well as to the Department of Education.

So that new agencies could submit new proposals to the VRA to offer supported employment services to consumers with the most significant disabilities, OSEM gave orientation to the following enterprises: "*Programa Florece la Montaña*"; Pentaq Manufacturing Corporation; and the Moretta Díaz Corporation.

Assessment and Adjustment Office (OAA, Spanish acronym) provided information about interpreting services for the deaf to Interamerican University's internship students.

Strategy:

- Continue with the dissemination of services of the PRVRA in the American Job Centers.

Progress Report:

CSEMS gave 190 orientations at the AJCs.

CSCRV gave 148 orientations at the AJCs.

Strategy:

- Continue with the dissemination of services in radio and television programs, as requested by the media.

Progress Report:

VRA participated in the following dissemination activities:

Date/Media/Topic

1. Oct. 21, 2016 *El Nuevo Día* (phone interview) -Title of the Interview:*Difficult to enter workforce, if you have disabilities*. Content-VRA services and employment data of people with disabilities. Published Oct. 30, 2016
2. Feb. 23, 2017 *Telenoticias program and web page*- Coverage about: Cirio promoting mops produced by persons with disabilities working in their manufacturing facilities
3. Mar. 12, 2017 Program: *News and Much More*- VRA promotion of services offered

4. March 21, 2017-Program: *News and Much More*- public service announcement at 10:45 am and 11:45 am every Sunday-VRA promotion of services offered
5. April 11 and 20, 2017 *Media Tour/various media*- Promotion of services offered at the Support and Employment Modes Office
6. May 8 and 11, 2017-Sistema TV Special Program: *Respect, Include and Educate*- Promotion of services offered at the Support and Employment Modes Office
7. May 24, 2017 to May 28, 2017 *El Espresso*, WIPR-TV and *Foro Noticioso*- Press Release published by: To announce new test to be handed out to the population in transition
8. June 5, and 6, 2017 - 9 different communications media- Handing out applications for the Work-based Learning Experience
9. June 28, 2017 WIPR-TV: *Las Noticias 24/7* Report about the Juana Diaz Work-based Learning Experience

Goal 5: Strengthen the administrative, fiscal and programmatic procedures to comply with the regulations established and the institutional efficiency required.

Strategy:

- Offer training to the staff to strengthen knowledge and skills needed in the performance of their duties.

CSEMs staff gave the following:

1. Workshops on CSEMs services to Occupational Therapists and CAA Analysts
2. Workshops on labor market trends to CAA Vocational Evaluators
3. Orientation about supported employment services to CAA supervisors
4. Orientation to evaluators and therapists about services to employers on-site visit to a work scenario

Office of Labor Relations and Human Resources (OALRH - Spanish acronym)

1. Coordinated approximately 70 VRA staff-training sessions, reaching out to 970 participants
2. Gave orientation (face to face and through emails) to approximately 141 management employees regarding productivity evaluations

QCPMO gave face to face training to rehabilitation counseling staff regarding Changes in the Federal RSA-911 Report, Case Management System and Data Registration. Participants in these trainings were: Vocational Rehabilitation Counselors (Case Managers), Vocational Rehabilitation Counseling Supervisors, Counseling-Service Technicians, among others. Related training materials, information and technical assistance were provided during the entire program year through emails and teleconferences. QCPMO Director also served as an educational resource to staff,

regarding Job Matching, in a training coordinated by the Evaluation and Adjustment Office for its centers staff.

OAA gave the following workshops to their CAA/UAA staff: Report-Writing Techniques with an Emphasis on Pre-Employment Skills Analysis Form; Easylink and Braille Note assistive technology equipment; Report-Writing and Services Rendered; OSEM and WIOA Services: CAA Database Usage, purpose, the type of information that could be obtained, and the procedures to gain access through the CRIS case management system; about administration, correction and interpretation of PR SAM Testing, and a reviewed on how to administer the Vocational-Interest and Self-Sufficiency Cirino Gerena Test, among others.

OSEM oriented the San Juan Regional Director about the use of the CAA/CSEM Referrals Form.

Strategy:

- Continue carrying out periodic performance evaluations of the agency staff to ensure institutional efficiency.

Progress Report:

OALRH trained, on-site and/or electronically, approximately 141 VRA employees regarding performance evaluations. 450 employees were evaluated during the reporting period.

Strategy:

- Maintain the financial support level of the Statewide Independent Living Council (SILC) and the State Rehabilitation Council (PRSRC), in order to assist and support their operations and in coordination with the PRVRA, develop employment opportunities and independent living for our applicants/consumers.

Progress Report:

VRA gave fiscal assignments to both the SILC and PRSRC during 2016 and 2017, and also maintained agency representation and collaboration in both councils

Strategy:

- Update administrative, fiscal and programmatic procedures in accordance with established state and federal regulations, and the economic and social situation of the country, as needed.

Progress Report:

During PY 2016, the agency developed official communications to comply with this strategy. Some of topics were: the VRA's Role at the AJCs and Referral Procedures; Occupational Licence Services; Follow-up and Data Registry for WIOA Compliance; Corrective Action Plans to Evaluate Productivity and Development; a Service-Contracting Handbook; Interpretation for the Deaf and services for the Blind procedures, among others.

Strategy:

- Continue to support all areas of the agency in the use of available information (computer) systems, and develop applications to streamline processes, reports and procedures according to the needs presented by areas that, at the same time, are consulted with service/administrative staff.

Progress Report:

According to the electronic registry of Technical Services, a total of 758 services were reported and worked for the period from July /1/2016 to June /30/2017.

As requested by the Quality Control and Programmatic Management Office, the changes to the case management system (CRIS II) were completed according to the RSA-911 updates and WIOA.

Vulnerabilities and systems errors have being corrected.

The Reconciliation system was migrated from the Visual Studio 2003 version to Visual Studio 2012, obtaining a more agile application and developed into a more updated tool. In addition, modifications were made to the Conciliation system to offer more information to help detect fraud. The database was converted to handle the new format of the checkbook paid by the Private Banking to be compatible with the previous Government Development Bank format.

Changes were made to the Kronos system for the management of holidays, part-time, accumulations of different licenses, in compliance with regulations of the Human Resources area.

For the Older Blind Program the first part of the Independent Living Referral was completed.

Movement of the Data Center was completed to guarantee better security and infrastructure.

The following installations were completed: pending computers in all regions; PRSAM and CIRINO programs which are used as tests to evaluate consumers; Microsoft Windows System Management Server Program for the management of server and computer

updates islandwide; Communication antennas in the Jayuya, Barranquitas, Comerio, San German and RUM offices.

Strategy:

- Carry out participation meetings with the agency staff on aspects related to public policy.

Progress Report:

QCPMO:

1. Had meetings with the regional counseling service staff to discuss the drafts of two internal policy documents, before officially published; and held meetings with directors of the programmatic offices regarding performance indicators and other WIOA matters.
2. In June of 2017, gave training to VR Counselors, Counseling Services Technician, Supervisors and Centers Managers, among others. The theme was: Changes in the CRIS System and the Federal RSA-911 Report. A total of 287 participants in 6 regions received this training.

VRCSO: provided 25 trainings were given to the counseling staff in 6 different VRA regions, regarding the following topics: Management of the Service Delivery Process; Transition Services; Assistive Technology Services; and Vehicle Modification, among others.

OSEM:

1. Participated in approximately 4 orientation meetings given to CSEMs, CSCRV and CAA staff regarding the services to be offer during the Work-based Learning Experience to take place in June of 2017.
2. Trained the San Juan Regional Office Director in October 20, 2016, on how to use the CAA/CSEMs Referral Forms.

OAA held meetings with:

1. Committee for the review and presentation of the draft Manual for Vocational Evaluation Service Delivery.
2. CAA staff regarding: technical assistance on Occupational Therapy and Assistive Technology Services, monthly services reports; to develop and implement a corrective action plan to maximize the vocational evaluation services, identify service needs, decision making regarding case assignments at the Evaluation and Adjustment Unit; and finally, to identify strategies that would speed-up the service delivery process.
3. Committee to develop the Format for a Wheelchair Evaluation Report.
4. Committee of the Vocational Evaluation Mobile Units.

The Fiscal Division: In June 2017 gave orientation to 25 VR staff regarding the use of funds in Pre-Employment Transition Service Activities (Pre-ETS - the English acronym) and Compliance with the Staff Activity by Program Registry.

The Budget Division: Gave individual orientation, where needed, to direct front-line and regional supervisory staff, about the Budget Module: Use and Distribution of Service Area Budgets during the following dates: August 31, 2016/ 3 participants; November 18, 2016 / 2 participants; February 19, 2017 / 2 participants.

OALRH:

1. Hired and trained 11 new Vocational Rehabilitation Counselors, and
2. Trained 126 incumbent Vocational Rehabilitation Counselors.

Strategy:

- Conduct monitoring interventions to ensure compliance with procedures.

Progress Report:

The programmatic offices carried out internal monitory reviews during the program year (as reported under previous strategies), to evaluate the service delivery process. Evaluations occurred in: electronic and hard copy case files, and non-for-profit entities performing services under VRA contract, among others.

VI.VR(p)(1)(B) Describe the factors that impeded the achievement of the goals and priorities.

VR goals and priorities were achieved.

VI.VR(p)(2) An evaluation of the extent to which the Supported Employment program goals described in the Supported Employment Supplement for the most recent program year were achieved. The evaluation must:

VI.VR(p)(2)(A) Identify the strategies that contributed to the achievement of the goals.

Please, refer to section VI.VR(p), above.

VI.VR(p)(2)(B) Describe the factors that impeded the achievement of the goals and priorities.

The economic situation of the Island affected the availability of employers to recruit, which in turn affected the amount of supported employment successful closures.

VI.VR(p)(3) The VR program's performance on the performance accountability indicators under section 116 of WIOA.

Since VR Agencies started data collection in July 2017 to measure most of WIOA section 116 performance indicators we have no previous year's performance data on those indicators.

VI.VR(p)(4) How the funds reserved for innovation and expansion (I&E) activities were utilized.

The PRVRA carried out the following I&E activities:

a. Expansion of the provision of the services to the blind persons, through referrals for employment to the Puerto Rico for the Blind Company.

Progress Report: Due to the economic situation, no recruitments were made during the period.

b. Expansion of the provision of the services to the blind persons, with intellectual deficit and other disabilities, through training and employment in the Corporation for the Blind.

Progress Report: During summer 2016, 10 students with most significant disabilities participated on a work based learning experience at the Corporation for the Blind.

c. Expansion of the availability of the training resources to the newly recruited staff (e.g. modules), through access to the internal Web page of the agency (Intranet).

Progress Report: During PY 2016, 11 new Normative Communications were placed on the internal web page as a reference for new and current counseling staff.

Also, the agency provided face to face training to 287 counseling staff related to WIOA and RSA-911 changes. Those modules and related manuals were placed on the internal web page at the beginning of the next PY.

d. Continuation with the use of the video remote interpretation technology for the deaf persons.

Progress Report: The PRVRA has such technology in all its regions and is available for the deaf persons, when necessary.

e. Continuation with the financing of the SRC and the SILC to assist and support their operations as well as to develop, together with the PRVRA, better employment opportunities and independent living for our applicants/consumers.

Progress Report: The PRVRA awarded to the SRC the amount of \$59,828.00 and to the SILC the amount of \$80,911.00 (assigned for Fiscal Year 2017); in order to continue supporting their operations and works in conjunction with the PRVRA.

VI.VR(q) Quality, Scope, and Extent of Supported Employment Services. Include the following:

VI.VR(q)(1) The quality, scope, and extent of supported employment services to be provided to individuals with the most significant disabilities, including youth with the most significant disabilities.

Quality

The *Workforce Innovation and Opportunity Act* (WIOA) of July 22 of 2014, emphasizes on the provision of the supported employment services for the consumers with the most significant disabilities. Therefore, the PRVRA in its mission to integrate the people with disabilities into the labor force and towards a more independent living promotes the provision of the supported employment services leading to an employment outcome.

The Office of Support and Employment Modes (OSEM), at the central level of the PRVRA, intends to collaborate, provide assistance and facilitate the applicability of the public policy to the center of support and employment modes (CSEM), at the regional level, on career development services, services to employers and development of support and employment modes for the consumers. The OSEM staff contributes with other operational/administrative offices of the PRVRA, in the coordination and collaboration of efforts regarding the assessment services and the programmatic monitoring and interpretation of data/relevant information to ensure compliance with the State Plan, the Work Plan and the Strategic Plan of the agency.

The PRVRA, through its CSEMs, develops inter/transdisciplinary work teams to ensure that the supported employment services offered by the CRPs are provided uniformly, agile and responsive to the needs of the consumers with the most significant disabilities. OSEM and CSME staff also carries out monitoring activities with the purpose of verify compliance, project development, quality of services, identify limitations, use of resources, and consumer's participation, among others.

Scope

The supported employment services are provided for a period not to exceed twenty-four (24) months, except in special circumstances, pursuant to 34 CFR 363.6(c)(1)(iii)(A).

The VR counselor identifies those consumers with the most significant disabilities who could benefit from supported employment, in accordance with the federal provisions set forth in 34 CFR 361.34. Such identification begins with the initial interview, the analysis of

medical evidence, the analysis of pre-employment skills and any other aspect relevant to the evaluation process.

The supported employment modality is provided through the CSEMs of the PRVRA; which offer support to the VR counselor in order to validate the vocational strengths and needs of the applicants/consumers, as well as to promote them towards competitive integrated employment under such supported employment modality. Prior to the consumer's referral to the CSEM, he may receive services in the center of assessment and adjustment (CAA) of the PRVRA in order to be evaluated in the following areas:

- Personal skills, daily/family/community living
- Cognitive-Psychosocial skills
- Perceptual-Psychomotor skills
- Training, Job and Work skills

The referral to the CAA will identify that the consumer will be sent to a community rehabilitation program (CRP) to be serviced under the supported employment modality, whereby the evaluation process must have an ecological approach.

The supported employment process has been framed within the following five (5) stages developed for the provision of these services:

Stage I. Determination of Needs

- Revision of documents: assessment of pre-employment skills, needs and support resources
- Comprehensive situational evaluation
- Determination of needs through profile evaluation
- Support: consumer and family
- Drafting of Habilitation Plan.

Stage II. Vocational Preparation/Supplementary Assessment

- Ecological evaluation
- Possible revision of Habilitation Plan
- Continuous support

Stage III. Placement Services

- Marketing Plan
- Promotion
- Occupational analysis
- Job proposal
- Reasonable accommodation
- Recruitment process

- Revision of Habilitation Plan (if it applies)
- Meetings with the employer and the family
- Continuous support.

Stage IV. Training and Job Retention

- Intensive and moderate training
- Development of natural support networks
- Revision of Habilitation Plan (if it applies)
- Evaluation/monitoring
- Submittal of reports
- Meetings with the employer and the family
- Continuous support

Stage V. Stabilization and Closure

- Meetings with the employer and the family
- Beginning of the employment monitoring phase (minimum of 90 days)
- Consumer's performance evaluation carried out by the employer, supervisor and job coach.
- Identification of extended support to be provided by family, employees (co-workers), and community.
- Satisfaction survey about services provided to consumer/family/employer/counselor.

The previous information about quality, scope and extent of services apply to youth. The PRVRA will continue to provide SE services to youth with the most significant disabilities referred from Transition. Through CRIS case management system the CSEM will identify those consumers between ages 14-24.

VI.VR(q)(2) The timing of transition to extended services.

In accordance to WIOA, the PRVRA will make resources available for extended services to youth with more significant disabilities, for a period not to exceed four (4) years. These services will be provided by Community Rehabilitation Programs through service authorization, with the recommendation of the centers' staff.

In order to improve the quality, the scope and the extent of the supported employment services, the PRVRA is committed to meet the goals and the strategies established and described in the Part (n) of this State Plan document.

Vocational Rehabilitation Certifications and Assurances

Name of designated State agency or designated State unit, as appropriate: **Vocational Rehabilitation Administration**

Name of designated State agency: **Department of Labor and Human Resources**

Full Name of Authorized Representative: **Madeline Hernández Dipiní**

Title of Authorized Representative: **Administrator**

Certifications. States must provide written and signed certifications that:

1. The **Vocational Rehabilitation Administration** is authorized to submit the VR services portion of the Unified or Combined State Plan under title I of the Rehabilitation Act of 1973 (Rehabilitation Act), as amended by WIOA (Public Law 113-128) and its supplement under title VI of the Rehabilitation Act (Unless otherwise stated, "Rehabilitation Act" means the Rehabilitation Act of 1973, as amended by WIOA, signed into law on July 22, 2014);
2. As a condition for the receipt of Federal funds under title I of the Rehabilitation Act for the provision of VR services, the **Department of Labor and Human Resources** (All references in this plan to "designated State agency" or to "the State agency" relate to the agency identified in this paragraph) agrees to operate and administer the State VR Services Program in accordance with the VR services portion of the Unified or Combined State Plan (No funds under title I of the Rehabilitation Act may be awarded without an approved VR services portion of the Unified or Combined State Plan in accordance with section 101(a) of the Rehabilitation Act), the Rehabilitation Act, and all applicable regulations (Applicable regulations, in part, include the Education Department General Administrative Regulations (EDGAR) in 34 CFR parts 76, 77, 79, 81, and 82; 2 CFR part 200 as adopted by 2 CFR part 3474; and the State VR Services program regulations), policies, and procedures established by the Secretary of Education. Funds made available under section 111 of the Rehabilitation Act are used solely for the provision of VR services and the administration of the VR services portion of the Unified or Combined State Plan;
3. As a condition for the receipt of Federal funds under title VI of the Rehabilitation Act for supported employment services, the designated State agency agrees to operate and administer the State Supported Employment Services Program in accordance with the supplement to the VR services portion of the Unified or Combined State Plan (No funds under title VI of the Rehabilitation Act may be awarded without an approved supported employment supplement to the VR services portion of the Unified or Combined State Plan in accordance with section 606(a) of the Rehabilitation Act), the Rehabilitation Act, and all applicable regulations, policies, and procedures established by the Secretary of Education. Funds made available under title VI are used solely for the provision of supported employment services and the administration of the supplement to the VR services portion of the Unified or Combined State Plan;

4. The designated State agency and/or the designated State unit has the authority under State law to perform the functions of the State regarding the VR services portion of the Unified or Combined State Plan and its supplement;
5. The State legally may carry out each provision of the VR services portion of the Unified or Combined State Plan and its supplement.
6. All provisions of the VR services portion of the Unified or Combined State Plan and its supplement are consistent with State law.
7. The **Vocational Rehabilitation Administrator** has the authority under State law to receive, hold, and disburse Federal funds made available under the VR services portion of the Unified or Combined State Plan and its supplement.
8. The **Vocational Rehabilitation Administrator** has the authority to submit the VR services portion of the Unified or Combined State Plan and the supplement for Supported Employment services.
9. The agency that submits the VR services portion of the Unified or Combined State Plan and its supplement has adopted or otherwise formally approved the plan and its supplement.

(Signature)

(Typed Name of Signatory)

(Date)

Administrator

(Title)

Assurances

The designated State agency or designated State unit, as appropriate and identified in the State certifications included with this VR services portion of the Unified or Combined State Plan and its supplement, through signature of the authorized individual, assures the Commissioner of the Rehabilitation Services Administration (RSA), that it will comply with all of the requirements of the VR services portion of the Unified or Combined State Plan and its supplement, as set forth in sections 101(a) and 606 of the Rehabilitation Act. The individual authorized to submit the VR services portion of the Unified or Combined State Plan and its supplement makes the following assurances:

1. **Public Comment on Policies and Procedures:** The designated State agency assures it will comply with all statutory and regulatory requirements for public participation in the VR Services Portion of the Unified or Combined State Plan, as required by section 101(a)(16)(A) of the Rehabilitation Act.
2. **Submission of the VR services portion of the Unified or Combined State Plan and Its Supplement:** The designated State unit assures it will comply with all requirements pertaining to the submission and revisions of the VR services portion of the Unified or Combined State Plan and its supplement for the State Supported Employment Services program, as required by sections 101(a)(1), (22), (23), and 606(a) of the Rehabilitation Act; section 102 of WIOA in the case of the submission of a unified plan; section 103 of WIOA in the case of a submission of a Combined State Plan; 34 CFR 76.140.
3. **Administration of the VR services portion of the Unified or Combined State Plan:** The designated State agency or designated State unit, as appropriate, assures it will comply with the requirements related to:
 - (a) the establishment of the designated State agency and designated State unit, as required by section 101(a)(2) of the Rehabilitation Act.
 - (b) the establishment of either a State independent commission or State Rehabilitation Council, as required by section 101(a)(21) of the Rehabilitation Act. The designated State agency or designated State unit, as applicable (Option A or B must be selected):
 - (A) is an independent State commission.
 - (B) **has established a State Rehabilitation Council**
 - (c) consultations regarding the administration of the VR services portion of the Unified or Combined State Plan, in accordance with section 101(a)(16)(B) of the Rehabilitation Act.

- (d) the financial participation by the State, or if the State so elects, by the State and local agencies, to provide the amount of the non-Federal share of the cost of carrying out the VR program in accordance section 101(a)(3).
- (e) the local administration of the VR services portion of the Unified or Combined State Plan, in accordance with section 101(a)(2)(A) of the Rehabilitation Act. Select yes or no, as appropriate, to identify if the designated State agency allows for the local administration of VR funds, (Yes/**No**)
- (f) the shared funding and administration of joint programs, in accordance with section 101(a)(2)(A)(ii) of the Rehabilitation Act. Select yes or no, as appropriate, to identify if the designated State agency allows for the shared funding and administration of joint programs, (Yes/**No**)
- (g) statewideness and waivers of statewideness requirements, as set forth in section 101(a)(4) of the Rehabilitation Act. Is the designated State agency is requesting or maintaining a waiver of statewideness for one or more services provided under the VR services portion of the Unified or Combined State Plan? (Yes/**No**) See Section 2 of this VR services portion of the Unified or Combined State Plan.
- (h) the descriptions for cooperation, collaboration, and coordination, as required by sections 101(a)(11), (24)(B), and 606(b) of the Rehabilitation Act.
- (i) all required methods of administration, as required by section 101(a)(6) of the Rehabilitation Act.
- (j) the requirements for the comprehensive system of personnel development, as set forth in section 101(a)(7) of the Rehabilitation Act.
- (k) the compilation and submission to the Commissioner of statewide assessments, estimates, State goals and priorities, strategies, and progress reports, as appropriate, and as required by sections 101(a)(15), 105(c)(2), and 606(b)(8) of the Rehabilitation Act.
- (l) the reservation and use of a portion of the funds allotted to the State under section 110 of the Rehabilitation Act for the development and implementation of innovative approaches to expand and improve the provision of VR services to individuals with disabilities, particularly individuals with the most significant disabilities.
- (m) the submission of reports as required by section 101(a)(10) of the Rehabilitation Act.

4. **Administration of the provision of VR services:** The designated State agency, or designated State unit, as appropriate, assures that it will:
- (a) comply with all requirements regarding information and referral services in accordance with sections 101(a)(5)(D) and (20) of the Rehabilitation Act.
 - (b) impose no duration of residence requirement as part of determining an individual's eligibility for VR services or that excludes from services under the plan any individual who is present in the State in accordance with section 101(a)(12) of the Rehabilitation Act.
 - (c) provide the full range of services listed in section 103(a) of the Rehabilitation Act as appropriate, to all eligible individuals with disabilities in the State who apply for services in accordance with section 101(a)(5) of the Rehabilitation Act? (**Yes/No**).
 - (d) determine whether comparable services and benefits are available to the individual in accordance with section 101(a)(8) of the Rehabilitation Act.
 - (e) comply with the requirements for the development of an individualized plan for employment in accordance with section 102(b) of the Rehabilitation Act.
 - (f) comply with requirements regarding the provisions of informed choice for all applicants and eligible individuals in accordance with section 102(d) of the Rehabilitation Act.
 - (g) provide vocational rehabilitation services to American Indians who are individuals with disabilities residing in the State, in accordance with section 101(a)(13) of the Rehabilitation Act.
 - (h) comply with the requirements for the conduct of semiannual or annual review, as appropriate, for individuals employed either in an extended employment setting in a community rehabilitation program or any other employment under section 14(c) of the Fair Labor Standards Act, as required by section 101(a)(14) of the Rehabilitation Act.
 - (i) meet the requirements in sections 101(a)(17) and 103(b)(2) of the Rehabilitation Act if the State elects to construct, under special circumstances, facilities for community rehabilitation programs
 - (j) with respect to students with disabilities, the State,
 - (i) has developed and will implement
 - (A) strategies to address the needs identified in the assessments; and

(B) strategies to achieve the goals and priorities identified by the State, to improve and expand vocational rehabilitation services for students with disabilities on a statewide basis; and

(ii) has developed and will implement strategies to provide pre-employment transition services (sections 101(a)(15) and 101(a)(25)).

5. Program Administration for the Supported Employment Title VI Supplement:

(a) The designated State unit assures that it will include in the VR services portion of the Unified State Plan all information required by section 606 of the Rehabilitation Act.

(b) The designated State agency assures that it will submit reports in such form and in accordance with such procedures as the Commissioner may require and collects the information required by section 101(a)(10) of the Rehabilitation Act separately for individuals receiving supported employment services under title I and individuals receiving supported employment services under title VI of the Rehabilitation Act.

(c) The designated state unit will coordinate activities with any other State agency that is functioning as an employment network under the Ticket to Work and Self-Sufficiency program under Section 1148 of the Social Security Act.

6. **Financial Administration**

(a) Financial Administration of the Supported Employment Program. The designated State agency assures that it will expend no more than 2.5 percent of the State's allotment under title VI for administrative costs of carrying out this program; and, the designated State agency or agencies will provide, directly or indirectly through public or private entities, non-Federal contributions in an amount that is not less than 10 percent of the costs of carrying out supported employment services provided to youth with the most significant disabilities with the funds reserved for such purpose under section 603(d) of the Rehabilitation Act, in accordance with section 606(b)(7)(G) and (H) of the Rehabilitation Act.

(b) The designated State agency assures that it will use funds made available under title VI of the Rehabilitation Act only to provide supported employment services to individuals with the most significant disabilities, including extended services to youth with the most significant disabilities, who are eligible to receive such services; and, that such funds are used only to supplement and not supplant the funds provided under Title I of the Rehabilitation Act, when providing supported employment services specified in the individualized plan for employment, in accordance with section 606(b)(7)(A) and (D), of the Rehabilitation Act.

7. Provision of Supported Employment Services

- (a) The designated State agency assures that it will provide supported employment services as defined in section 7(39) of the Rehabilitation Act.

- (b) The designated State agency assures that:
 - (i) the comprehensive assessment of individuals with significant disabilities conducted under section 102(b)(1) of the Rehabilitation Act and funded under title I of the Rehabilitation Act includes consideration of supported employment as an appropriate employment outcome, in accordance with the requirements of section 606(b)(7)(B) of the Rehabilitation Act.
 - (ii) an individualized plan for employment that meets the requirements of section 102(b) of the Rehabilitation Act , which is developed and updated with title I funds, in accordance with sections 102(b)(3)(F) and 606(b)(6)(C) and (E) of the Rehabilitation Act.

Appendix 1: Performance Goals for the Core Programs

Include the State's expected levels of performance relating to the performance accountability measures based on primary indicators of performance described in section 116(b)(2)(A) of WIOA.

Instructions: Performance Goals for the Core Programs

Each State submitting a Unified or Combined Plan is required to identify expected levels of performance for each of the primary indicators of performance for the first two years covered by the plan. The State is required to reach agreement with the Secretary of Labor, in conjunction with the Secretary of Education on state adjusted levels of performance for the indicators for each of the first two years of the plan.

To affect an orderly transition to the performance accountability system in Section 116 of the WIOA, the Departments will use the transition authority under WIOA sec. 503(a) to designate certain primary indicators of performance as “baseline” indicators in the first plan submission. A “baseline” indicator is one for which States will not propose an expected level of performance in the plan submission and will not come to agreement with the Departments on adjusted levels of performance. “Baseline” indicators will not be used in the end of the year performance calculations and will not be used to determine failure to achieve adjusted levels of performance for purposes of sanctions. The selection of primary indicators for the designation as a baseline indicator is made based on the likelihood of a state having adequate data on which to make a reasonable determination of an expected level of performance and such a designation will vary across core programs.

States are expected to collect and report on all indicators, including those that have been designated as “baseline”. The actual performance data reported by States for indicators designated as “baseline” in the first two years of the Unified or Combined Plan will serve as baseline data in future years.

Each core program must submit an expected level of performance for each indicator, except for those indicators that are listed as “baseline” indicators below.

For the first Plan, the Departments will work with States during the negotiation process to establish the adjusted levels of performance for each of the primary indicators for the core programs. If necessary, some may be adjusted after the release of the final regulation and Joint Performance ICR.

Baseline Indicators for the First Two Years of the Plan

Title I programs (Adult, Dislocated Workers, and Youth):

- Measurable Skill Gains
- Effectiveness in Serving Employers

Title II programs (Adult Education):

- Employment in the 2nd quarter
- Employment in the 4th quarter
- Median Earnings
- Credential Attainment
- Effectiveness in Serving Employers

Title III programs (Wagner-Peyser):

- Effectiveness in Serving Employers

Title IV programs (Vocational Rehabilitation):

- Employment in the 2nd quarter
- Employment in the 4th quarter
- Median Earnings
- Credential Attainment
- Measurable Skill Gains
- Effectiveness in Serving Employers

States may identify additional indicators in the State plan and may establish levels of performance for each of the State indicators. Please identify any such State indicators under *Additional Indicators of Performance*.

Appendix I-1. Performance Goals for the Core Programs

Indicator/Program	Proposed or expected level 2016	Negotiated or adjusted level 2016	Proposed or expected level 2017	Negotiated or adjusted level 2017
Employment (second quarter after exit)				
Adult	29%			36%
Dislocated Workers	42%			64%
Youth	25%			42%
Adult Education				
Wagner Peyser	36%			
Vocational Rehabilitation				

Indicator/Program	Proposed or expected level 2016	Negotiated or adjusted level 2016	Proposed or expected level 2017	Negotiated or adjusted level 2017
Employment (fourth quarter after exit)				
Adult	24%			35%
Dislocated Workers	34%			43%
Youth	24%			56%
Adult Education				
Wagner Peyser	65%		65%	
Vocational Rehabilitation				
Median earnings (second quarter after exit)				
Adult	\$2,143			\$2,500
Dislocated Workers	\$2,623			\$3,050
Youth	\$739			
Adult Education				
Wagner Peyser	\$9,500			
Vocational Rehabilitation				
Credential attainment rate				
Adult	29%			65%
Dislocated Workers	31%			59%
Youth	25%			33%
Adult Education				
Wagner Peyser	Not applicable	Not applicable	Not applicable	Not applicable
Vocational Rehabilitation				
Measurable skill gains				
Adult				
Dislocated Workers				
Youth				
Adult Education				
Wagner Peyser	Not applicable	Not applicable	Not applicable	Not applicable
Vocational Rehabilitation				

Indicator/Program	Proposed or expected level 2016	Negotiated or adjusted level 2016	Proposed or expected level 2017	Negotiated or adjusted level 2017
Effectiveness in serving employers				
Adult				
Dislocated Workers				
Youth				
Adult Education				
Wagner Peyser				
Vocational Rehabilitation				