

**U.S. Department of Labor**

Employment and Training Administration  
200 Constitution Avenue, N.W.  
Washington, D.C. 20210



November 17, 2022

The Honorable Pedro Pierluisi  
Governor of Puerto Rico  
La Fortaleza  
P.O. Box 9020082  
San Juan, PR 00902-0082

Dear Governor Pierluisi:

Thank you for your waiver request submission to the U.S. Department of Labor (Department) regarding certain statutory and regulatory provisions of the Workforce Innovation and Opportunity Act (WIOA) and the accompanying plan to improve the statewide workforce development system (enclosed). The waiver request was received on September 13, 2022.

Requested Waiver: The Commonwealth is requesting a waiver of Section 5(c)(2) of the Wagner-Peyser Act of 1933, in order to waive the requirement to expend all Wagner-Peyser funds within a three-year period.

ETA Response: This request falls outside of the Secretary's waiver authority and, therefore, cannot be approved. The Secretary's authority to waive portions of the Wagner-Peyser Act is limited to Sections 8-10.

ETA is available to provide technical assistance to you in support of your goals. If you have questions, feel free to contact my office at (202) 693-2772.

Sincerely,

A handwritten signature in black ink, appearing to read "Brent Parton".

Brent Parton  
Acting Assistant Secretary

Enclosure

cc: Gabriel Maldonado Gonzalez, Secretary, Puerto Rico Department of Labor  
and Human Resources  
Jennifer Friedman, Acting Boston Regional Administrator, ETA  
Minnie R. Holleran, Federal Project Officer, ETA



GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF LABOR AND HUMAN RESOURCES

September 13, 2022

Ms. Minnie R. Holleran  
US Department of Labor  
Employment & Training Administration  
Workforce Investment Division  
Region 1/Boston

Dear Ms. Holleran:

PRDOL [Puerto Rico Department of Labor & Human Resources] is herewith requesting your approval for a waiver of the required total expenditure of the Governor's Reserve funds allocated with PY2019 funds. They will soon expire come September 30, 2022. PRDOL has a definite, good use for them, but time is running out on us too quickly.

If approved, the waiver requested will be for another 12-month period, or until September 30, 2023, so that we may use the remaining balance at hand to continue workforce development initiatives. Besides, the Department is in the process of receiving proposals in accordance with Section 7(b) of the Wagner-Peyser Act of 1933, now amended in Title III WIOA of 2014.

See Attachment 1 for the reasoned justification.

Yours truly,

Gabriel Maldonado González, Esq.  
Secretary of Labor

Cc: Jennifer Friedman, Regional Administrator  
Alexandra Salgado Colón, PR Deputy Secretary  
Enclosure







GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF LABOR AND HUMAN RESOURCES

Government of Puerto Rico  
Department of Labor and Human Resources  
Bureau of Employment Security  
Wagner-Peyser Act of 1933 as amended by WIOA of 2014  
Waiver Request

**Request for Waiver of Requirement that States Expend All Wagner-Peyser Funds in a 3 Year Period**

The states' ability to request waivers of statutory or regulatory requirements to improve the workforce system, is authorized by the Workforce Innovation and Opportunity Act (WIOA) Section 189(i)(3) and by 20 CFR parts 679.600 - 679.640.

**The statutory and/or regulatory requirements to be waived:**

The Puerto Rico Department of Labor and Human Resources (PRDOLHR), as the state administrative entity for the Wagner-Peyser Act of 1933, as amended by WIOA, seeks a waiver through September 30, 2023, for the Program Year 2019/Fiscal Year 2020. The requested waiver will be from the requirement to expend all Wagner-Peyser Governor's Reserve funds which are not expended in the required three (3) year period. Specifically, Puerto Rico is requesting from the Employment and Training Administration (ETA) a waiver of Section 5(c)(2) of the Wagner-Peyser Act of 1933 (WP), as amended by WIOA of 2014, which read as follows:

*(2) Funds obligated for any program year may be expended by the state during that program year and the two succeeding program years and no amount shall be deobligated on account of a rate of expenditure which is consistent with the program plan.*

This waiver will allow Puerto Rico access to Wagner-Peyser PY19 funding for an entire Program Year 2022/Fiscal Year 2023 through September 30, 2023. With the extraordinary circumstances, including the COVID-19 pandemic, the state has seen a lock-down, offices have been closed and plans been delayed, and the inability to use the WP PY2019 Governor's Reserve to its maximum capacity during the three years period. As the Puerto Rico economy has reopened the state does anticipate an influx of customers who will require employment and placement service programs in the coming months. To address the financial demand of this influx, PRDOLHR needs to have PY 2019 WP funding available for an additional program year. This will allow us to use the funds in accordance with Section 7(b) of the Wagner-Peyser Act.

**Actions undertaken to remove state or local statutory or regulatory barriers:**

There are no state or local statutory or regulatory barriers to implementing the requested waiver. Puerto Rico regulations and policy statements follow current federal law.

**Projected programmatic outcomes resulting from waiver implementation:**

Improved flexibility of WP funding to best meet the needs of our citizens and business community. Among the projects to be funded are the development of strategies and programs specifically addressed to ex-offenders and other special populations in need. Around, 60% of those convicted in Puerto Rico reoffend once they have served their sentence. Therefore, it is necessary to identify mechanisms to effectively reintegrate these citizens into the free community once they have served their sentence.





**State strategic goal(s) and Department of Labor priorities supported by the waiver:**

Approval of this waiver will allow the PRDOLHR to better support Section 7(b) requirements of the Wagner-Peyser Act to delineate strategies and to establish priorities to improve the effectiveness and efficiency. It is our objective to support Local Workforce Development Boards, to enable them to effectively tailor their workforce strategies to meet state and local needs in accordance with WP Section 7(b) requirements.

**Individuals, groups, or populations impacted from the waiver:**

The waiver will benefit all Puerto Rico job seekers. These include youth, adults, and UI claimants. Also, will benefit people who are not WIOA eligible recipients but who have an economic relationship with recipients. These include businesses and employers, residents, and other individuals and entities.

**Monitoring waiver implementation, including collection of waiver outcome data:**

If the waiver is granted, the Director of Employment Services will take the responsibility of tracking and monitoring this grant, to make sure that it is spent in its entirety by September 30, 2023, so there is no remaining balance on the federal claim. Quarterly spending reports are sent by Fiscal Administrator to the USDOL.

**Notification to Key Stakeholders and Public Comment on This Waiver Request:**

This waiver does not affect key stakeholders or the public, therefore no notification to key stakeholders and/or public comment will be required.

The concession of this waiver will allow the State of Puerto Rico to continue working on the delivery of WIOA services to the citizens with special needs, as well as to develop innovative programs to address the changing workforce development system.