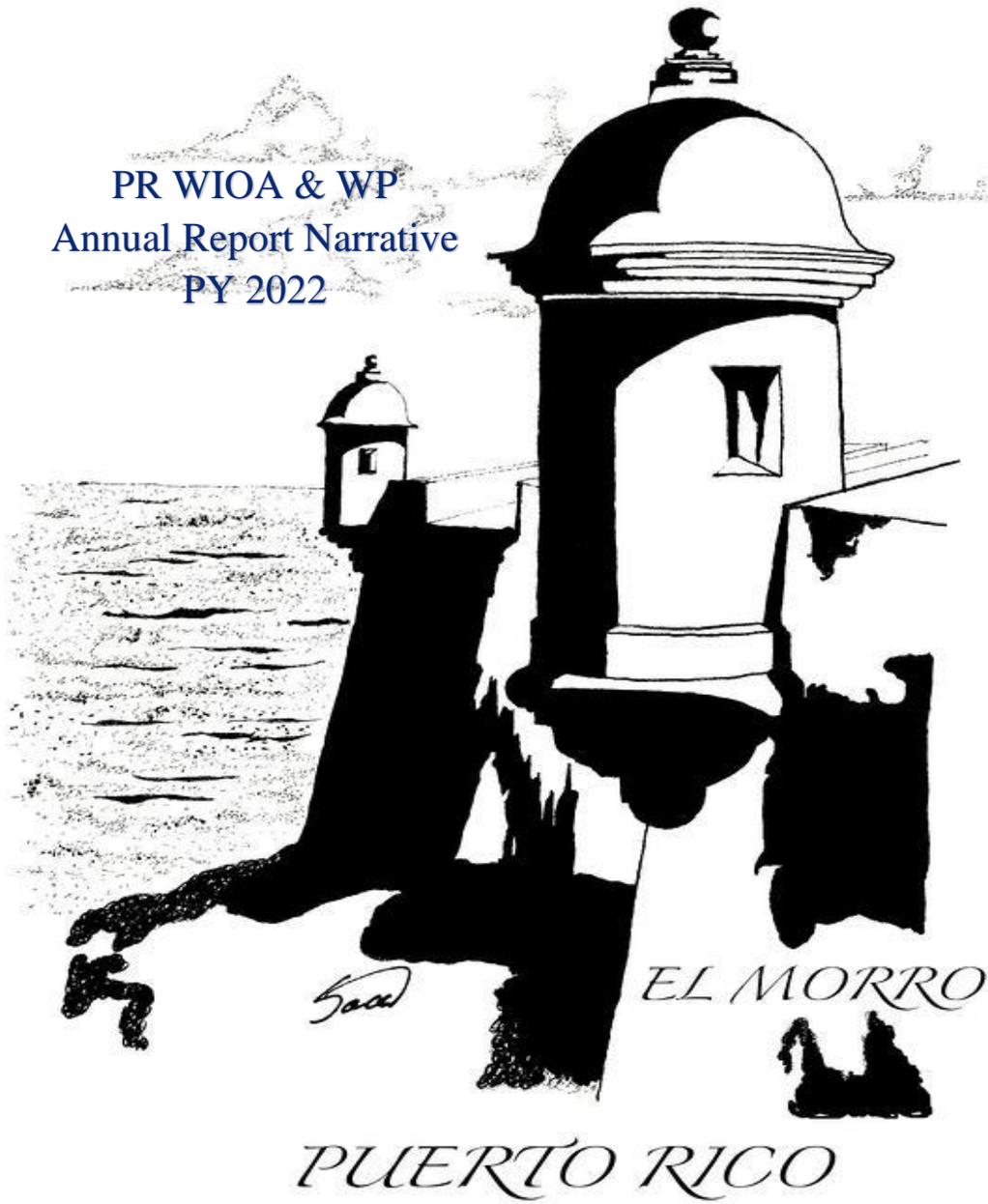


PR WIOA & WP  
Annual Report Narrative  
PY 2022



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## INTRODUCTION

On behalf of the Government of Puerto Rico, the Puerto Rico Department of Economic Development and Commerce and the Department of Labor and Human Resources, we are pleased to submit the Workforce Innovation and Opportunity Act (WIOA) Annual Report for Program Year 2022. The WIOA requires that each state that receives an allotment under WIOA Section 127 (Youth) or Section 132 (Adult and Dislocated Worker) prepare and submit an Annual Report of performance progress to the Secretary of Labor. This submission adheres to the guidelines outlined in Training and Employment Letter (TEGL) 5-18, dated November 7, 2018.

The WIOA Annual Report is based on the Workforce Integrated Performance System (WIPS) files. The report covers participants who receive services financially assisted by formula and statewide reserve funds under Youth, Adult and Dislocated Worker Programs, as well services through the Employment Service of Wagner Peyser Act. The report further details the list of waivers approved and the impact of activities conducted under these waivers on state and local area outcomes.

Moreover, the annual report highlights achievements and initiatives of the various services including Rapid Response, Registered Apprenticeship Program (RAP), Special projects funded with State Governor's Reserve Funds, local areas strategies and achievements, success Stories and title III Wagner Peyser Employment Service. The workforce system continues to be an essential instrument in providing real alternatives for people who strive to obtain a job or improve their skills through training.



## I. TITLE I PROGRAM PARTICIPATION LEVELS

The actual Puerto Rico's database system is the *Participant Record Information System (PRIS)*, records 18,467 participants. Among these, 44% are adults, 30% are dislocated workers, and 26% are youth. Regarding the type of services provided, 71% of the participants, comprising youth, adults, and dislocated workers, availed themselves of career services, while 29% received training services.

**Program Year 2022 Participants by Title I Program**

Type of Service	Adults	Dislocated Workers	Youth	TOTAL
Career Services	4,889	3,939	4,360	13,188
Training Services	3,217	1,540	522	5,279
<b>TOTAL</b>	<b>8,106</b>	<b>5,479</b>	<b>4,882</b>	<b>18,467</b>

**Program Year 2022 Exits by Title I Program**

Type of Service	Adults	Dislocated Workers	Youth	TOTAL
Career Services	2,986	3,154	854	6,994
Training Services	1,265	691	203	2,159
<b>Total</b>	<b>4,251</b>	<b>3,845</b>	<b>1,057</b>	<b>9,153</b>

In PY22, programmatic exits totaled 9,153 participants, with 46% adults, 42% dislocated workers, and 12% youth. In terms of service type, 76% of participants received career services, while the remaining 24% received training services.

### EFFECTIVENESS IN SERVING EMPLOYERS PERFORMANCE INDICATOR

Regarding reporting performance measures for employer services under WIOA, the DEDC and core partners are in the process of developing the performance goals to be applied under WIOA. Preliminary reporting performance measures were submitted through the WIPS. PR core partners selected the employer penetration rate to develop a common measure. The following reporting data was downloaded by the WIPS:

Employer Services	Establishment Count
Employer Information and Support Services	1,208
Workforce Recruitment Assistance	774
Engaged in Strategic Planning/Economic Development	39
Accessing Untapped Labor Pools	36
Training Services	264
Incumbent Worker Training Services	0
Rapid Response/Business Downsizing Assistance	8



Planning Layoff Response	0
<b>Pilot Approaches</b>	<b>Rates</b>
Retention with Same Employer in the 2nd and 4th Quarters	
After Exit Rate	67.4%
Employer Penetration Rate	4.8%

## TITLE I PROGRAMS PERFORMANCE ACCOUNTABILITY SYSTEM

The adult program served 8,106 participants and 4,251 exited, or 52%, while the dislocated workers program served 5,479 and 3,845 exited the program, equivalent to 70% of total served. The youth program served 4,882 participants with 1,057 exits, equivalent to 22% of which received services.

Performance Indicators	PY 2022		
	Negotiated Rate	Actual	%
<b>Adult Program</b>			
Employment Rate Second Quarter After Exit	53.50%	53.50%	100%
Employment Rate Fourth Quarter After Exit	49.00%	44.50%	91%
Median Earnings Second Quarter After Exit	\$2,500	\$3,500	140%
Credential Attainment Rate	42.00%	57.20%	136%
Measurable Skill Gains	80.00%	53.30%	67%
Effectiveness in Serving Employers - Retention with the Same Employer	-	-	-
<b>Dislocated Worker</b>			
Employment Rate Second Quarter After Exit	52.50%	58.80%	112%
Employment Rate Fourth Quarter After Exit	52.00%	55.70%	107%
Median Earnings Second Quarter After Exit	\$2,600	\$3,733	144%
Credential Attainment Rate	21.00%	65.20%	310%
Measurable Skill Gains	58.00%	65.1%	112%
Effectiveness in Serving Employers - Retention with the Same Employer	-	-	-
<b>Youth</b>			
Employment Rate Second Quarter After Exit	50.00%	57.60%	115%
Employment Rate Fourth Quarter After Exit	50.00%	57.30%	115%
Median Earnings Second Quarter After Exit	\$1,800	\$2,337	130%
Credential Attainment Rate	20.00%	30.40%	152%
Measurable Skill Gains	32.10%	72.20%	225%
Effectiveness in Serving Employers - Retention with the Same Employer	-	-	-



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During Program Year 2022 (PY22), Puerto Rico successfully achieved fourteen (14) out of the fifteen (15) negotiated Performance Measures with the U.S. Department of Labor (USDOL). The single measure that fell short was the Skill Gains measure in the Adults program. In the following section, we present a summary of the results obtained for each of the negotiated Performance Measures.

In terms of the Employment Rate Second Quarter After Exit, the Adult Program achieved a performance rate of 100%. Likewise, the Dislocated Worker Program surpassed expectations with a performance rate of 112%, and the Youth Program excelled with a performance rate of 115%. All three programs exceeded 100% of the negotiated measure. In the context of the Employment Rate Fourth Quarter After Exit, the Adults program reached a rate of 44.5%, equivalent to 91% of the negotiated level of 49.0%. Meanwhile, the Dislocated Workers Programs and Youth complied with negotiated measures, achieving 55.7% and 57.3%, respectively, equivalent to 107% and 115%. These rates exceeded the negotiated levels.

The Median Earnings Second Quarter After Exit were successfully attained in the Adult, Dislocated Workers, and Youth programs, surpassing 100% of their respective negotiated levels. All three programs demonstrated a significant increase compared to the results of the AP 2021. Regarding the Credential Attainment Rate, all three programs surpassed 100% of the required rates to fulfill the negotiated measure. Rates stood at 57.2% for adults, 65.2% for dislocated workers, and 30.4% for the youth program. It is noteworthy that the dislocated program exhibited exceptional growth, surpassing 300%.

The Measurable Skill Gains, however, did not achieve the required rates in the adult program, with a performance of 67.0% of the negotiated rate of this performance indicator. At the state level, a comprehensive assessment of the database is underway to identify potential factors contributing to this performance gap. Technical assistance will be provided to local areas to address any identified issues. In contrast, the Dislocated Workers and Youth programs successfully reached negotiated measures for skill gains, exceeding the 90% threshold required to meet the indicator. Of particular note is the Youth program, where the rate surpassed 200% of the negotiated rate.

Currently, we are collaborating with state and local boards to devise strategies to reach this performance measure in the upcoming program year. The state will extend technical assistance to the 15 Local Workforce Development Areas (LWDA's) to enhance service delivery, ensuring that performance measures can be met in the next program year.



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## USE OF APPROVED WAIVER'S FLEXIBILITIES

The U.S Department of Labor (USDOL) approved the waivers request of certain statutory and regulatory provisions of WIOA. This action was 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). PRWDP has three (3) approved waivers until June 30, 2024.

### **1. WAIVER OF WIOA SECTION 134(C)(3)(H)(I) AND 20 CFR 680.720(B) TO INCREASE ON THE JOB TRAINING (OJT) EMPLOYER REIMBURSEMENT UP TO 90%.**

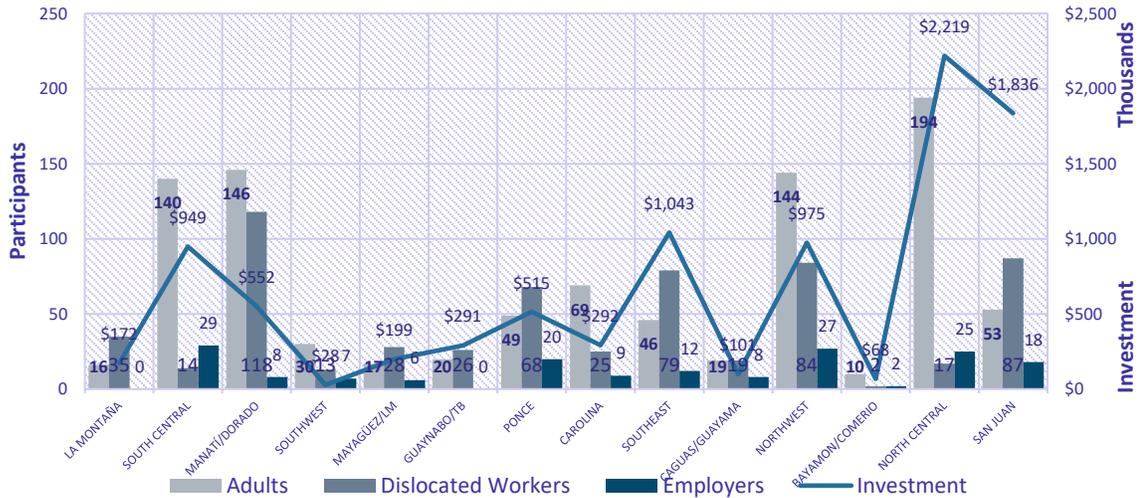
This waiver, in effect until June 30, 2024, has proven instrumental in aiding Local Workforce Development Areas (LWDA's) to attract new employers to the workforce system. For example, during In PY22, fourteen (14) LWDA's utilized this waiver, engaging 171 employers and 1,568 employees, including 953 adults and 615 dislocated workers. The total expenditure amounted to \$9,239,516. The waiver significantly contributed to increased participation from both employees and employers, as shown in Chart 1, illustrating highly satisfactory performance by LWDA's.

The state board implemented a public policy prioritizing On-the-Job Training activities for companies committed to the Registered Apprenticeship Program (RAP). This waiver allows businesses in Puerto Rico to adapt swiftly to technological and market changes by enhancing their ability to expand and remain competitive through cost-effective OJT options tailored to their specific development goals. The reduced match requirement, especially beneficial for new startups and small to medium-sized businesses, presents an attractive and financially feasible incentive, expanding opportunities to utilize the OJT model for hiring and training new workers. From an economic development perspective, the increase in both the quantity and quality of the labor force stimulates Puerto Rico's economic competence and competitiveness.

LWDA's that benefited most from the waiver, based on expenditure information, include North Central (\$2,218,758), San Juan (\$1,836,160), and Southeast (\$1,042,524). Considering Puerto Rico's labor and business sector context, the impact of the waiver extends to enhancing opportunities for job skills improvement, job creation, and business sustainability across various economic regions. As indicated by data provided by the LWDA's, we anticipate increased participation from employers, adults, dislocated workers, and youth, along with increased fund investment for Program Year 2023 (PY23).



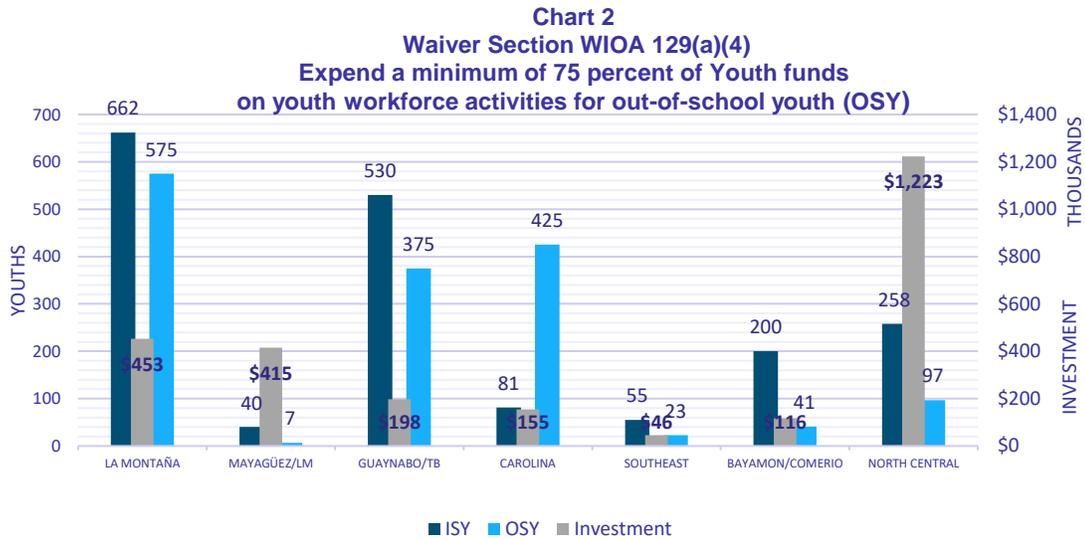
**Chart 1**  
**Section 134(c)(3)(H)(i) and 20 CFR 680.720(b)**  
**Increase (OJT) employer reimbursement up to 90 percent**



**2. WAIVER OF THE REQUIREMENT UNDER WIOA 129(A)(4), AND 20 CFR 681.410 THAT STATES AND LOCAL AREAS MUST EXPEND A MINIMUM OF 75 PERCENT OSY FORMULA FUNDS**

This waiver will be valid until June 30, 2024. The chart below, details its usage by the participating LWDA’s. Puerto Rico continues its efforts to provide employment and education services for out-of-school youth (OSY). Given the economic growth the island is currently experiencing, it is imperative to promote the holistic development of youth to enhance their economic self-sufficiency, thereby addressing barriers to employment and access to education for both OSY and in-school youth (ISY) populations.

The chart below illustrates the participation of OSY and ISY for PY22. The approval of waivers in previous years significantly influenced the increased participation of ISY. The seven (7) local areas that utilized the waiver collectively reported expenditures totaling \$2.6 million during PY22. North Central LWDA reported the highest expenditures, while La Montaña reported the largest number of participants. The chart shows the relationship between participation and expenditures in the WIOA Youth Program. It is noteworthy that the participating LWDA's continued to deliver services to OSY, and the data indicates that the provision of OSY services did not decline. In simpler terms, the number of OSY is approximately equal to ISY, with 1,543 OSY and 1,826 ISY, as illustrated in Chart 2.



**3. WAIVER TO WIOA SECTION 134(A) TO USE OF FUNDS RESERVED BY THE GOVERNOR TO PROVIDE STATEWIDE RAPID RESPONSE ACTIVITIES, INCLUDING DISASTER RELIEF EMPLOYMENT TO AFFECTED AREAS (WIOA SECTION 134(A) STATEWIDE EMPLOYMENT AND TRAINING ACTIVITIES).**

**HURRICANE FIONA TEMPORARY JOBS**

The DOL approved a waiver to allow flexibility in the use of funds reserved by the Governor of Puerto Rico to provide statewide rapid response activities to instead provide statewide employment and training activities, including disaster relief employment to affected areas (WIOA Section 134(a) Statewide Employment and Training Activities). Under that waiver, DEDC allocated state funds to local areas for the creation of temporary jobs following Hurricane Fiona's impact in September 2022 in Puerto Rico. Additionally, work experiences for out-of-school youth related to the emergency were developed. Temporary jobs were created to assist municipalities with recovery and humanitarian aid in areas impacted by the hurricane. The jobs activities were carried out through 12 local areas to address emergency needs, including cleaning, disinfecting common areas, debris collection, assistance in distributing essential materials, food collection and disposal, safety protocol guidance, support for emergency management-related call centers, and disaster-related information requests. A total of 775 participants were impacted, with an investment of \$4,160,258.26.

**RAPID RESPONSE SERVICES**

The State Unit for Dislocated Workers and Employers (UDET) of the PR WDP provided Rapid Response Services to 9 companies that announced closures or layoffs across the island, affecting 955 dislocated workers, with services delivered to 350 of them. Rapid Response Services include site visits,

coordination with government agencies, informative sessions, resume workshops, and the planning and execution of recruitment and job fairs. The data of the impacted dislocated workers were compiled and registered in the Dislocated Worker Profile System included in PRIS System.

### Summary of Services of Rapid Response

As part of our rapid response services in PY 2022, workshops were conducted on transition management, change management, and interviewing techniques. During this fiscal year, 60 dislocated individuals received the change management workshop, 115 received orientation of rapid response services, and 59 completed the dislocated worker profile to identify the services they needed. In terms of AJC Partners Services, 350 received information on employment and unemployment insurance, 55 received Department of Family services for child support, and 38 received health plan counseling.

### TRADE ADJUSTMENT ASSISTANCE (TAA)

During FY 22-23, the Trade Adjustment Assistance (TAA) program delivered services to a company previously certified under the Trade Adjustment Assistance Reauthorization Act. As the TAA Program entered a gradual termination phase on July 1, 2022, only seventeen affected workers were served before June 30, 2022. However, workers who completed this fiscal year continue to receive Reemployment TAA services. The services offered to program participants are summarized as follows:

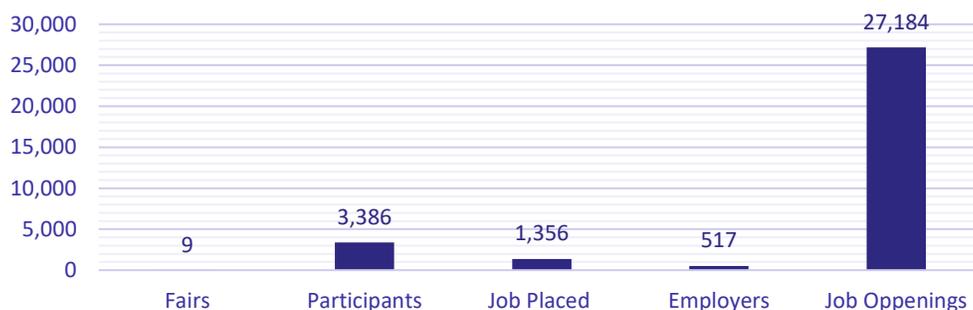
<i>Services</i>	Numbers of Requests and/or Claims	Numbers of Participants	Investment
<b><i>TRAINING</i></b>	8	8	\$56,332.99
<b><i>RTAA</i></b>	7	7	\$20,546.34
<b><i>TOTAL</i></b>	<b>15</b>	<b>15</b>	<b>\$76,879.33</b>

### DEDC EMPLOYMENT FAIRS

As part of the Rapid Response services, the WDP organized a recruitment fair for the private sector to address the high demand for employees due to the Covid-19 pandemic in the country. The aim was to help employers comply with state-established measures to control the spread of the virus. Health certificates were provided to participants hired at the fair by the employers.



**Chart 3  
DEDC Recruitment Fairs Outcomes  
PY 2022**



### **Rapid Response Integration with AJC Partners Job Fairs**

The Rapid Response unit actively engaged in Employment Fairs across the island, impacting and assisting citizens by either preparing their resumes or facilitating access to employment opportunities—a vital tool for their reintegration into the national workforce. In the fiscal year 2022-2023, we actively participated in 33 job fairs or service activities tailored for employers or participants. These events were hosted in educational institutions, public housing, or communities facing barriers to job searches. Additionally, we attended activities targeted at employers to offer insights into the benefits of the WIOA Law. Summary of the services provided in the Fairs or Activities:

<i>Assistant</i>	WIOA Orientation
717	532

### **WP RAPID RESPONSE ACTIVITIES**

Throughout PY22, Wagner-Peyser collaborated with the Rapid Response Unit to provide assistance to displaced workers. This included participation in seven (7) Rapid Response events aimed at supporting workers impacted by the closure or downsizing of companies, such as those listed in Figure 18 where two-hundred twenty eight (228) workers were affected. The goal was to help these individuals find new employment opportunities.

### **GOVERNOR RESERVE: SPECIAL PROJECTS**

In our Work-Based Training (WBT) initiative, facilitated through Governor's Reserve delegation contracts, we prioritize On-the-Job Learning (OJL) with Related Instruction (IR) within the Registered Apprenticeship Program. This approach, endorsed by public policy, is supported by a USDOL-approved



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waiver, enabling up to 90% reimbursement for On-the-Job Training (OJL). This strategy, implemented with employers to train new and incumbent workers, aims to create 57 new jobs, prevent the layoff of 9 incumbent workers, and ensure nationally recognized certifications for all participants.

1. Puerto Rico Film Academy, Inc. - Is a non-profit organization dedicated to artistic events production. The organization wanted to recruit and train its first employees under the Registered Apprenticeship Program in the following occupations: 1 Lead writer, 6 Screen writers and 2 office managers. A total of \$428,199.51 funds were delegated to train and certify these 9 apprentices. Puerto Rico Film Academy, Inc.
2. Hardwick Tactical - Is a non-profit company created in operating in Delaware and Puerto Rico. Specializes in strategic uniform manufacturing projects for the U.S. Department of Defense. They have 85 employees who are part of underserved populations, including people with disabilities, ex-convicts, and veterans. A total of \$592,610.33 funds were delegated to train and certify these 44 apprentices as sewing machine operators under RA program.
3. Dulzura Borincana - Is a company founded in 1998, it has 34 employees and are currently launching their new products, introducing new processes and technology; and is in the process of expanding their operations outside Puerto Rico. A total of \$437,843.25 were delegated to retrain 9 incumbent workers and 4 new workers to be certified under the Registered Apprenticeship Program in the following occupations: cooks, distribution and warehousing, office manager and industrial manufacturing technician.
4. Politecnico Amigó - Is a non-profit organization, that offers an educational vocational training program for adolescents and dropouts and/or at-risk youth between the ages of 16 and 21. A total of \$513,000.00 funds were delegated to provide services to 50 school dropouts or at-risk youth who are in school to obtain a credential in one of the following occupations: beauty apprentice, pet grooming, barber apprentice, computer assembly and repair, computer course, electrician apprentice, and refrigeration and air conditioning apprentice technician.

## **REGISTERED APPRENTICESHIP PROGRAM**

During PY 2022-2023, DEDC continues to promote Registered Apprenticeships (RA) at all levels of the economic development initiatives. Promoting and expanding the RAs has become a significant part of



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the workforce system advancement. The DEDC's Workforce Development Program remains with the responsibility to oversee the registration, implementation, and execution of the programs around the island. This report goes over the achievements of the Apprenticeship programs for PY 2022-2023. Describing the actions and results that have taken the program to a higher level within its expansion process.

### **Accomplishments**

Puerto Rico Apprenticeship Office (PRAO) achieved:

- Six (6) new programs
- 525 new apprentices
- 166 apprentices completed the program and became *journeyworkers*.
- 189 employers, non-profit and educational institutions received information about RAP.

### **Apprenticeship and Local Boards**

The Puerto Rico Apprenticeship team has been working hard to involve the LWDBs in the expansion of the apprenticeship programs. To guarantee that the local boards personnel had received the appropriate and accurate information, for the reported PY 22-23, forty-three (43) technical assistance sessions were carried out in ten of the fifteen local boards. These were: Carolina, Bayamón-Comerio, Surcentral, Norte Central Arecibo, San Juan, Noreste (Fajardo), La Montaña, Guaynabo-Toa Baja, Noroeste (Aguadilla), and Manatí-Dorado. As a result, five boards invested WIOA formula funds in seven programs to conduct the On-the-Job Learning. In addition, the AJC staff provide case management and supportive services to eligible apprentices.

### **National Apprenticeship Week 2022**

- For the fifth year in a row, Puerto Rico celebrated National Apprenticeship Week on November 14-20, 2022. DEDC promoted a variety of events to the public and private sectors to enhance the value of the RA in different industries.
- Boston Scientific (Guidant) received the 2022 Proclamation celebrated the first class of apprentices that completed the program.

### **Puerto Rico RAP Highlights 2022-2023**

From February to May, the first pre-apprenticeship was carried out with students from Career and Technical Education of the Puerto Rico Department of Education. Forty-five students from four vocational schools in the municipalities of Barceloneta, Lares, and Arecibo participated in this



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experience. Result: four students stayed in the jobs in the medical assistant occupations with coding and Nurse assistant.

## LOCAL AREAS OUTSTANDING INITIATIVES

### Future youth entrepreneurs in Caguas

Caguas/Guayama initiated various programs to train both in-school and out-of-school youth, such as the Economy of the Future Project: E-Commerce, which equipped participants with essential knowledge



and tools for starting and operating small businesses, focusing on entrepreneurship skills related to drones. Eighteen out-of-school youth in Caguas successfully completed business plans for self-employment. The program covered aspects like initiative, identifying business opportunities, budgeting, financial projections, capital acquisition alternatives, effective communication, marketing, and business plan preparation.

Caguas/Guayama also recognized an out-of-school youth from Trujillo Alto who excelled in various services received at the AJC, including work experience, leadership, labor market information, and secondary skills training. Currently he is studying Barbering and Styling at NUC University in Carolina and aims to establish a business after graduation.



In Manatí/Dorado, an 18-year-old migrant from the mainland U.S. moved to Puerto Rico without completing secondary school but demonstrated determination. After completing Alternative High School Services, through an ITA Account, she is pursuing an Associate Degree in Nursing Sciences with a focus on excellence.

In Caguas/Guayama, a former business owner was forced to close her cafeteria due to COVID-19



received financial education, pre-vocational services, workforce preparation, and coaching. After a Work Experience opportunity related to COVID-19, she secured a regular job, followed by an individual training account in Office Systems. Graduating with honors, she successfully transitioned to a new career path.

Henry, a 60-year-old dislocated worker from Mayaguez, aspired to teach sign language to the audio-impaired population. His motivation is that he has noticed that a lot of companies do not have interpreters and this population cannot receive assisted service, required by federal laws, targeting people with disabilities. After completing a sign language course, he applied for a position with Sorenson as an



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interpreter. The follow-up revealed he was working at Ramón E. Rodríguez Díaz Elementary School, fulfilling his goal. He expressed interest in participating in an advanced-level sign language course.

## **Business Services and Engagements**

In Guaynabo/Toa Baja Local Area, the business engagement strategy focuses on addressing workforce needs by connecting employers with talented individuals. The AJC Business Services Division provides free services, including recruitment, interviews, and training. Notably, they organized 20 hiring events, serving 380 job seekers. Business outreach involves participation in networking events, job fairs, employer check-ins, and media campaigns. The Toa Baja affiliated office conducted an employer orientation event in May 2023, impacting 23 local employers, titled "Patrono, Conoce, Conéctate y Actíivate en Conexión Laboral."

## **Launch RAP in Local Areas**

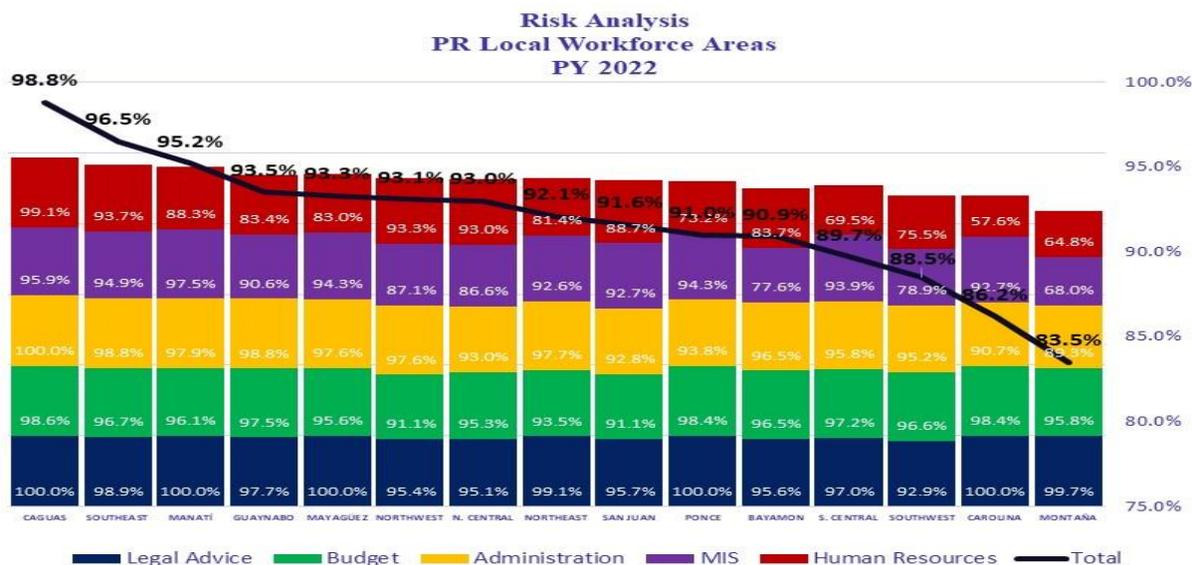
The development of sectoral strategies is crucial for enhancing the workforce development system, aligning employment, education, and training programs to foster economic growth. The initiation of collaborations with the Registered Apprenticeship Program (RAP) by Local Areas is a significant step in facilitating employer engagement, expanding talent pools for entry-level positions, meeting industry demands, and reducing unemployment rates.

- In Manatí/Dorado, an exemplary partnership with Hardwick Tactical Manufacturing Company focuses on the production of military uniforms for the Department of Defense. Seventy-three participants in the Adult Program from the Municipality of Morovis are currently undergoing related instruction and on-the-job training (OJT). This effort marks Manatí/Dorado as the first Local Area in Puerto Rico to engage with RAP.
- **Pre-Apprenticeship initiative Manatí/Dorado:** the local area staff collaborates with the private sector and the Department of Education of the Government of Puerto Rico. Forty high school seniors gained occupational experiences in Practical Nursing and Medical Plan Billing. The Local Area is going to extend its pre-apprenticeship initiatives to eight Vocational Schools of the PRDE, targeting occupations in Nursing, Accounting, Culinary Arts, and Arts and Culture. The anticipated impact covers one hundred and thirty participants and over fifteen employees.
- **First Apprenticeship in Caguas/Guayama** - Caguas/Guayama marked a milestone with its inaugural apprenticeship program at Gascó Industrial in Gurabo, Puerto Rico, in 2022-2023. Six

participants are gaining skills in manufacturing diverse products through on-the-job training and related instruction, ultimately earning industry-recognized credentials.

## RISK ANALYSIS AT LOCAL BOARDS

Risk analysis is a crucial process involving the identification, assessment, and evaluation of potential risks to determine their likelihood and impact. This analysis aids organizations in decision-making regarding projects or financial applications, guiding actions to safeguard their interests. There are two primary types of risk analysis: quantitative, which involves mathematical models, and qualitative, which relies on subjective judgment. The DEDC employed risk analysis across 15 local areas, assessing five management domains: Human Resources, Administration, Budget, Contract/Legal, and Information Systems Management. This involved a questionnaire with closed and open questions, categorized into topics for each operational area. On-site visits were conducted, and a detailed analysis process was developed. Each question was assigned risk levels (1-9) and compliance levels (1-9). Compliance levels were categorized as Not Compliant (1), Partially Compliant (5), and Compliant (9). The questionnaire administration took place in person with the administrative staff of each of the 15 Local Areas, covering the main themes: Human Resources, Administration, Budget, Contract/Legal, and MIS.

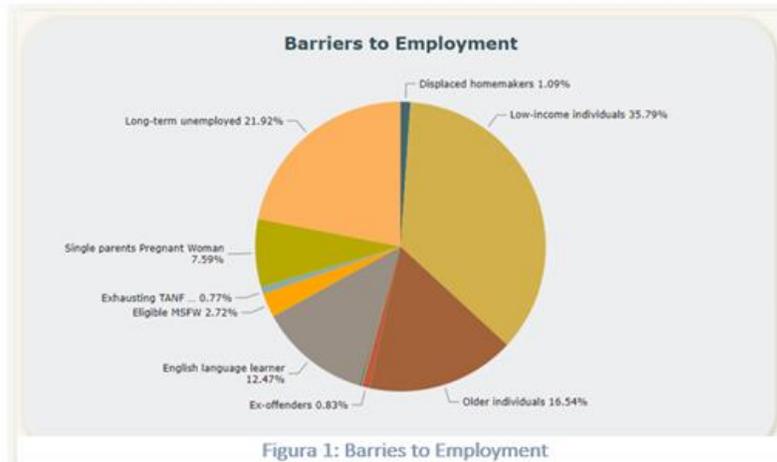


The risk analysis results highlight human resource management and MIS as the operational areas requiring significant attention, with some local areas scoring below 70%. Human resources issues are linked to the absence of standardized processes, regulations, and classification plans. MIS concerns are related to the ongoing development of the new PRIS platform, aiming to incorporate essential tools for participant case management. The state level is committed to providing follow-up and technical assistance based on the findings of this analysis.

## II. TITLE III SERVICES PROVIDED UNDER THE WP EMPLOYMENT SERVICE

### PERFORMANCE ACCOUNTABILITY

In PY22, Wagner-Peyser offered employment and placement services to 11,942 individuals with 9,738 being successful. The cohort period for this was from 4/1/2022 to 3/31/2023. The performance outcomes for PY2022 were determined using the number of exiters during the cohort period. Additionally, 1,792 individuals were classified as reportable individuals during PY22.



### SERVING POPULATIONS WITH BARRIERS TO EMPLOYMENT

The Puerto Rico Workforce System Network offers a wide range of services and activities through the Wagner-Peyser Act to support individuals facing employment barriers. It collaborates with *Conexión Laboral* Local Areas to assist these populations and contribute to the development of policies and services across the state, including veterans. During PY2022, Wagner-Peyser provided services to low-income individuals (the previous graph), which accounted for 35.79% (3,531 participants) of the total participants served. The second largest group served was the long-term unemployed, including UI applicants, making up 21.92% (2,163 participants). These two groups are the primary clients seeking employment, placement, and training services through American Job Centers. The Migrant and Seasonal Farm Workers (MSFW) category represented a smaller proportion, with only 2.72% (268 participants) of the total participants served. (See Figure 1. Barriers of Employment).

## PROVIDING SERVICES TO UI CLAIMANTS

Puerto Rico Employment Services policies ensure that career services are available under WIOA, specifically in terms of providing information about filing an initial or ongoing UI claim. The Wagner-Peyser program is responsible for informing UI claimants about UI programs and their rights and responsibilities. Additionally, UI claimants who receive their first payment each week are referred to the RESEA program, which is overseen by the Employment Service. RESEA offers reemployment services to UI claimants to help them reenter the job market before their benefits are depleted.

## GOALS AND PROGRESS TOWARDS MEETING PERFORMANCE MEASURES

The operational state MIS system, PRIS, is currently collecting the required information to generate the performance reports for WP (ETA-9173 and ETA-9169). As of now, WP has successfully generated the ETA-9173 reports for the Program Years PY2022. Puerto Rico has negotiated specific performance levels for this program year, which can be found in Figure 2.

	Employment Rate (Q2)	Employment Rate (Q4)	Median Earnings
<i>Performance Levels</i>	50%	50%	\$ 2,300

Figure 2: Performance levels

The performance levels negotiated are determined by a statistical model created by USDOL. This model uses historical data to predict how federal programs under WIOA may behave and whether they will meet performance expectations. However, it is important to note that the model is limited to predicting expected behavior and cannot account for external factors that may influence the final performance outcome. The actual performance levels attained are displayed in the table provided (refer to Figure 3, Actual Performance Levels Achieved). Wagner-Peyser effectively monitors local-level WP activities using SharePoint, PowerApps, and other tools to identify any deviations from Employment Service policies and procedures. These tools provide guidance to program staff in conducting program activities.

	Employment Rate (Q2)		Employment Rate (Q4)		Median Earnings
	Num.	Rate	Num.	Rate	Earnings
<i>Actual</i>	2,520	33.8%	1,524	21.5%	\$ 3,180

Figure 3: Actual Performance Levels Achieved



## A. Services to Migrant and Seasonal Farmworkers Program

Puerto Rico, a significant MSFW state, has six (6) American Job Centers/Employment Service Local Offices designated as significant MSFWs office. Currently, there are three (3) full-time Outreach Workers, and we aim to hire the remaining three Outreach Workers by March 31, 2024. Two (2) of the hired Outreach workers are well-trained in all Wagner-Peyser regulations that govern MSFW’s activities, including the Complaint System, Field Visits, MSPA, National Farmworker Jobs Program, H-2A regulations, among others.

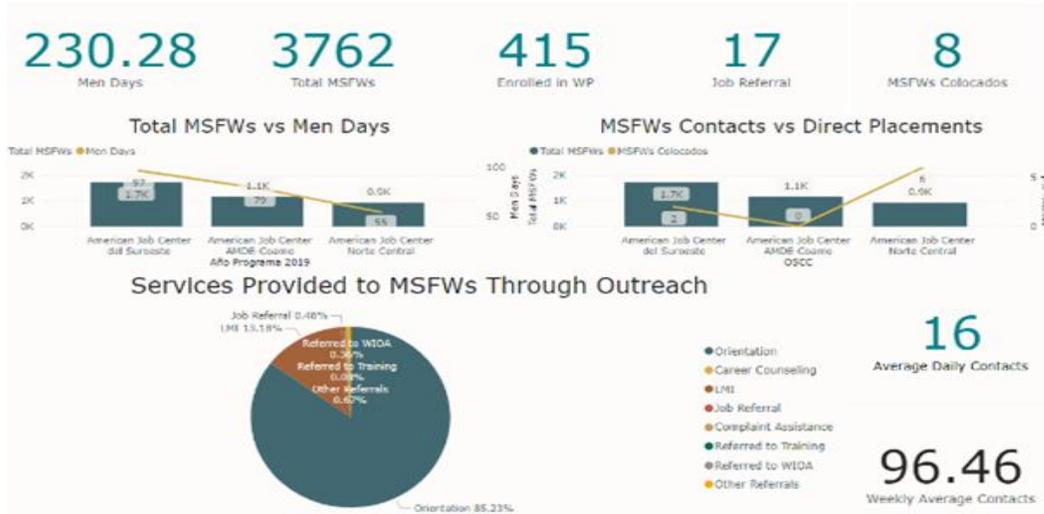


Figure 4: MSFW Outreach Contact Information

Outreach workers must adhere to the standard metrics set by USDOL/ETA, which require them to reach out to a minimum of 40 MSFWs per week. According to Figure 4, the average daily contacts for PY22 were sixteen (16) workers, resulting in an average weekly contact of ninety-six (96) workers. Out of these contacts, seventeen (17) workers were referred to jobs and eight (8) workers were successfully placed in employment by the outreach workers. In total, 3,762 workers were contacted during this period.

The MSFW Contact graph in Figure 5 displays the number of MSFWs contacted during PY22 by month and local area. The months of July to October, which represent the first half of PY22, exhibit the highest number of MSFWs contacted due to the peak harvest season.

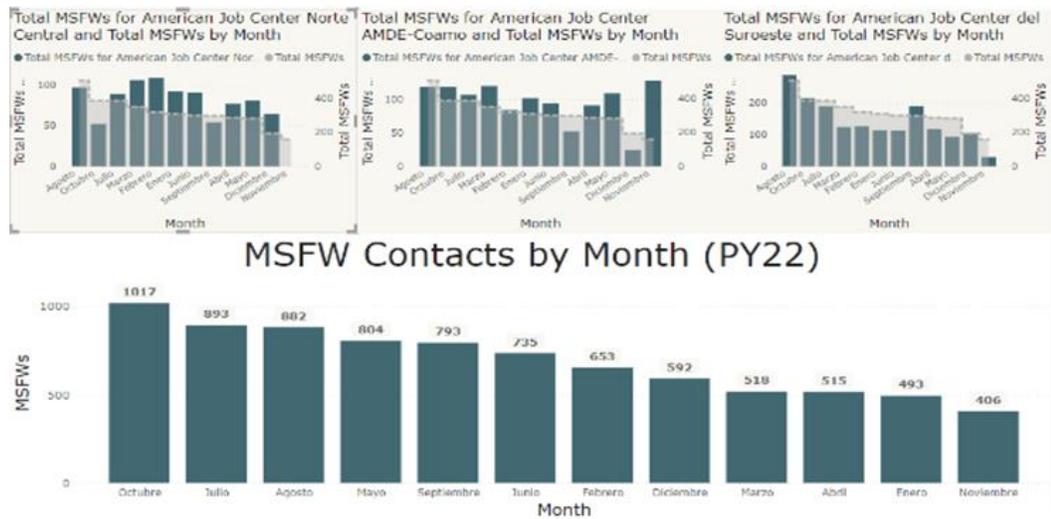


Figure 5: MSFW Contact

During PY22, a total of fifty nine (59) employers were contacted, including forty four (44) new agricultural employers. Follow-ups were conducted on fifteen (15) of these employers. Employer services included orientation on filing local agricultural job orders, including those associated with an H-2A temporary employment certification. Puerto Rico has seen a rise in agricultural job orders due to a shortage of local workers available for farm work.

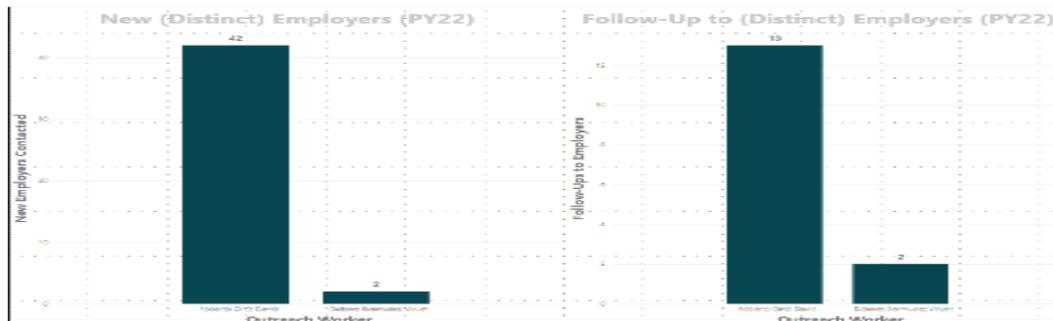


Figure 6: New Employers

During field visits, Outreach workers collect data to determine the number of workers on a farm at the time of contact with the employer. Figure 7 displays the distribution of workers into categories such as H-2A workers, seasonal workers, migrant workers, year-round workers, and non-farmworkers. This graph represents the distribution of farmworkers based on the categories mentioned. It provides information on the workers present during the initial visit by Outreach workers, as well as those working for employers contacted during follow-up.

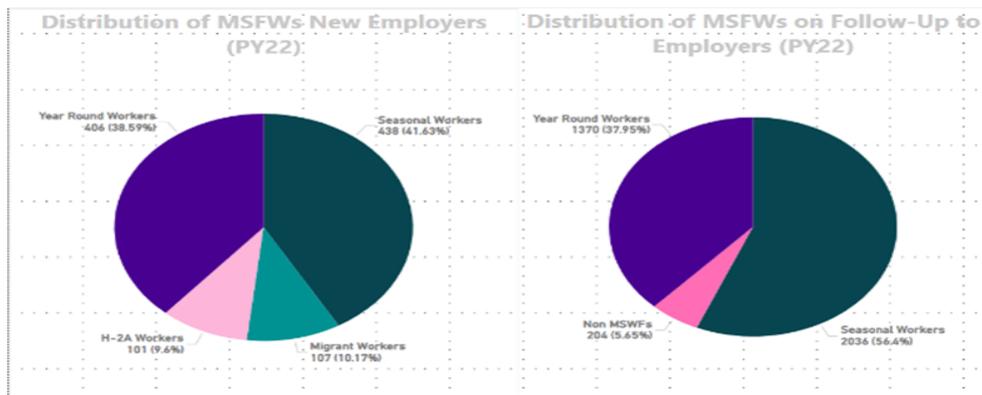


Figure 7: Distribution of Workers by Category

## FOREIGN LABOR CERTIFICATION

### H-2A Program

In PY22, the Flag System received 2,327 Interstate Clearance Orders from eleven states where Puerto Rico is a supplier state. Many farm workers in mainland USA are returning workers who were requested by their previous employer to come back. A total of fourteen (14) workers were referred, out of which eight (8) were placed on interstate clearance orders for mainland USA. In PY22, the Foreign Labor Certification Program processed fifty-six (56) agricultural job orders (ETA-790) through the Flag System, resulting in an H-2A temporary employment certification for four-hundred ninety-eight (498) foreign workers to perform temporary farm work in Puerto Rico. Out of the fifty-six (56) orders, fifty-one (51) were approved by the Chicago National Processing Center (CNPC) and five (5) were denied. Additionally, eighteen (18) workers were referred to local interstate clearance orders associated with an H-2A temporary employment certification, and three (3) workers were ultimately hired.

A total of fifty-five (55) housing inspections were carried out for MSFWs in compliance with 20 CFR 1910.142, Temporary Labor Camps, with a housing capacity of five hundred eight (508) workers. Three hundred twenty-eight workers (328) arrived in Puerto Rico from various countries, including Costa Rica, Honduras, Colombia, the Dominican Republic, El Salvador, Guatemala, and Nicaragua. The Foreign Certification Program staff conducted workshops on the H-2A visa process for agricultural employers, which included employer representatives, chief elected officers, state agency administrators, and state officers.



## H-2B Program

In PY22, a total of seventeen (17) applications were submitted, resulting in 203 workers. The USDOL approved two (2) applications for the restaurant and construction sectors, employing a total of four (4) and twenty (20) workers respectively. However, CNPC denied fifteen (15) applications, which accounted for one hundred seventy-nine (179) workers.

## REEMPLOYMENT SERVICES AND ELIGIBILITY ASSESSMENT PROGRAM (RESEA)

### UI Claimants (RESEAs)

Since 2005 (2010 in Puerto Rico), the U.S. Department of Labor (USDOL) and state agencies have been actively addressing the reemployment needs of UI claimants and combating improper payments through the Reemployment and Eligibility Assessment Program (REA) and its successor, the Reemployment Services and Eligibility Assessment Program (RESEA). These programs have been recognized as top priorities by the USDOL's Employment and Training Administration (ETA) due to their proven effectiveness and successful service delivery strategies.



Figure 8: FY 2022 RESEA

In PY2022, the RESEA Program will continue to affect UI claimants who are at risk of exhausting their benefits according to the WPRS methodology and transitioning veterans receiving UCX compensation, as shown in Figure 8 (FY 2022 RESEA). Through the RESEA Program, UI claimants have been granted access to a comprehensive selection of reemployment services offered at American Job Centers (AJCs), commonly referred to as Job Connections. This program has played a crucial role in guaranteeing that claimants fulfill all UI requirements. UI benefit recipients, who are actively seeking employment, are informed about the extensive range of reemployment services accessible to them through the RESEA Program. They are then directed to the Dislocated Workers Program, which provides reemployment services tailored to their specific needs.

The performance period for the RESEA program was adjusted to align with the performance period of PY22, as it differs from Wagner-Peyser. Within this period, RESEA offered reemployment services to UI claimants, as indicated in Figure 9 (Initial RESEAs vs Subsequent RESEAs).

<i>Total Initial RESEAs</i>	Total Claimants Attended	Total Claimants Completed RESEA	Total Fail to Report	Total Subsequent RESEAs	Total Claimants Attended	Total Subsequent Completed	Total Fail to Report
8,349	6,156	4,851	1,787	4,693	3,397	3,246	1,106

Figure 9: Initial RESEAs vs Subsequent RESEAS

The PY22 Fail to Report ratio stands at 21.40% (1,787 out of 8,349 initial appointments), while the subsequent RESEAs ratio is 23.56% (1,106 out of 4,693 subsequent appointments). It is important to note that both ratios are below the national average threshold of 30%

### RESEA Program Evaluation

The RESEA Program evaluation was requested by the new statute in 2021, and the PRDOLHR published a Request for Proposal. The Policy Research Group was chosen to conduct the evaluation, and in March 2023, a contract agreement was signed to begin the impact evaluation. Weekly meetings have been held since then to define the scope of the evaluation, including an assessment of the current RESEA programs and their relation to the UI program. The impact evaluation project will span four years.

### JOBS FOR VETERANS STATE GRANT (JVSG)

During PY22, JVSG staff actively engaged in veteran outreach activities and career fairs, prioritizing individuals facing significant barriers to employment (SBE). They attended various fairs sponsored by organizations such as the National Guard, the American Legion, the Department of Family, the Department of Labor, the Army Reserve, and faith-based or community-based organizations, all aimed at supporting veterans. In PY22, the JVSG program served seventy-four (74) participants, twenty-three (23) of whom were carried over from PY21. PY22 saw the closure of sixty-seven (67) cases, as shown in Figure 10. Veterans Participate. Additionally, nine (9) veterans were placed in unsubsidized employment with an average wage of \$14.99 per hour, as detailed in Figure 11. Total Veterans Employed. Our career services offer a variety of personalized options, including objective assessments, individual employability plans, job search assistance, and job referrals.



Figure 10: Veterans Participation



Figure 11: Total Veterans Employed

### JVSG Success Stories

One veteran successfully secured a position in the manufacturing industry, specifically in technical roles like Test Technician, where they were responsible for testing computer boards at Collins Aerospace in Santa Isabel. Additionally, another veteran was employed as a Security Guard by a federal contractor that had a contract with the Puerto Rico National Guard. The DVOP successfully secured employment for a veteran as a Military Store Clerk in Fort Buchanan, Guaynabo. Additionally, another veteran was hired as a supervisor at Wendy's Restaurant in Humacao, earning an annual salary of \$30,000.

Furthermore, three (3) veterans were able to find meaningful employment with salaries ranging from \$24,000 to \$47,000. Seventeen (17) veterans were referred from the Referral Connection for Transitioning Service Member or Spouse program, originating from U.S. military bases in the USA, Germany, and local military duty stations. These veterans sought a connection with the Puerto Rico JVSG Program to receive employment assistance. Efforts have been made during PY23 to hire the remaining vacant positions in the JVSG program, which currently has one (1) DVOP and two (2) LVER positions available as of the date of this report.

### Hire Vet Medallion Award

The promotion for the Hire Vet Medallion Award Program was distributed to 258 employers in the Puerto Rico region, targeting military-friendly employers, the local business community, federal contractors, and affirmative action employers. This initiative aims to recognize and encourage the hiring of veterans in the workforce.

## EFFECTIVENESS IN SERVING EMPLOYERS

### Serving Employers

One of the activities carried out by Wagner-Peyser under Section 7(a) of the Wagner-Peyser Act of 1933 involves providing recruitment services and special technical services to employers. Local employers must have access to certain career services, such as labor exchange activities and labor market information as outlined in Section 678.430(a)(4)(ii) and (a)(6). These services are offered through the American Job Centers in Puerto Rico, where Wagner-Peyser Business Specialists are responsible for reaching out to employers and offering staff-assisted services. The existing MIS system (PRIS) lacks query and reporting capabilities, hindering our ability to assess its effectiveness in meeting employers' needs.



Figure 12: Services to Employers

### Performance Measures on Services to Employers

The program has collaborated closely with the Department of Economic Development and Commerce (DDEC) to report on performance measures for services provided to employers. WP has collected data over the years and received assistance from USDOL to extract and analyze this data for determining performance measures for services to employers.

### OUT OF STATE EMPLOYERS

Public Law 87 of June 22, 1962, as amended, also known as the Promotion of Employment Opportunities Abroad, enacted by the Puerto Rico legislature, currently requires employers or individuals who want to recruit workers in Puerto Rico to perform work in the continental United States or abroad, to obtain an authorization from the Puerto Rico Secretary of Labor to engage in such active recruiting. In PY2022, Puerto Rico witnessed out-of-state recruitment by forty one (41) U.S. employers, but only thirty five (35) of them were authorized to recruit. During PY2022, the majority of recruitment requests in Puerto Rico were for the manufacturing industry, which accounted for 24.39% of the total applications. Following closely were staffing agencies with 17.07% and the hospitality industry with 14.53%. Figure 15: Total Requests by Industry.

## WOTC PROGRAM

The Work Opportunity Tax Credit Program (WOTC) is a federal tax credit program administered by the IRS. The tax credit is aimed at employers who filed a Federal Income Tax Return. In Puerto Rico, the credit applies to any employer whose parent company is in the United States, in turn, who claims the tax credit for people recruited in their establishments in Puerto Rico. This fluctuates from \$1,200 to \$9,600 for each new employee. WOTC impacts two (2) sectors of the population; 1) the employers who have a contributory obligation to the IRS and, 2) the population groups like; Unemployment Insurance Program Claimants; Participants of the Temporary Assistance to Needy Families Program (TANF); Nutrition Assistance Program (SNAP) Participants; Ex-Offenders; Veterans; Participants in Vocational Rehabilitation programs (state or Veterans Administration); and People referred by the Ticket to Work Program. During the period from July 2022 to June 2023, the achievements attained (refer to Figure 13, WOTC Program Achievements) are as follows:

<i>Applications Received</i>		<b>Certifications Issued</b>		<b>Applications Denied</b>	
<i>PY21</i>	<b>PY22</b>	<b>PY21</b>	<b>PY22</b>	<b>PY21</b>	<b>PY22</b>
8,754	7,115	2,863	1,593	3,297	1,886

Figure 13: WOTC Program Achievements

We have included performance data from the previous program year to compare the performance of the program with PY21. During PY22, 1,639 fewer applications were received; 1,270 fewer certifications were issued, and 1,411 fewer applications were denied. Among the factors that influenced the number of determinations issued during this period was the retirement of the WOTC support staff person on June 30, 2022. This matter was addressed with the request to hire additional staff, a temporary person to work under the funds of the Backlog Reduction Award and to cover the regular position of the person who retired. As of the date of this report, both positions have been filled.

During PY23, WOTC will continue enforcing a new automated system. This new software will allow employers to file applications online. The Computer System Design Company was selected as a company with extensive experience in this area and which manages the systems for the states of Alabama, Arkansas, Colorado, Idaho, Oklahoma, District of Columbia, West Virginia, South Carolina, and Oregon. As of the date of this report, work is underway on the conversion of the database. It is expected that by the end of 2023 the platform will be available for employers to register their applications online so they could file their application online.



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## ACTIVITIES UNDER SECTION 7(B) OF WAGNER-PEYSER ACT

### Section 7(B)

During PY22, the Puerto Rico Department of Labor and Human Resources implemented several initiatives and strategies utilizing the 10% Wagner-Peyser governor's reserve. Notably, one of these initiatives is Proyecto Infinito. The Infinite Talent program was initiated by the Department of Labor and Human Resources in May 2023 with the aim of enhancing the employability of individuals with functional diversity in Puerto Rico. The program comprises various components:

- a. **Talent Education Program** - The Infinite Talents program was tailored to the specific needs of its registered members.
- b. **Service Provider Education Program**- Education service providers were certified to create a sustainable employability ecosystem for talent.
- c. **Employer Education Program** - As part of the program, participating companies were certified as Inclusive Companies of Infinite Talent.
- d. **Infinite Talent Integrated Services Center** - The Infinito Talent Service Center is responsible for coordinating and facilitating various services for talent.
- e. **Outcomes Data**
  - Talents registered in the program: 134
  - Service Providers Registered in the Program: 28
  - Total number of people with functional diversity assisted: 75
  - Total number of people with functional diversity referred to employment: 19
  - Total number of people with functional diversity placed in employment: 5
  - Total number of employers trained to employ people with functional diversity: 103
  - Total number of employers who are willing to employ this type of population: 19

### B. Job Fairs

During PY22, the Employment Service Division (DSE) offered assistance to job fairs organized by the PRDLHR, governmental agencies, veteran organizations, and non-governmental organizations. In PY22, DSE actively engaged in sixty-four (64) job fair activities across the Island, offering comprehensive employment and placement services. The fairs served different purposes depending on the community they were targeting. DSE partnered with the National Guard Fairs and the American Legion of Puerto Rico to collaborate on specific events. Additionally, DSE participated in residential fairs aimed at assisting low-income individuals living in public housing to find employment opportunities. Furthermore, we have a collaborative agreement with the Puerto Rico Police to provide job opportunities in communities with high crime rates. Lastly, we offer our services at fairs for inmates upon their request.