



REPUBLIC OF PALAU

WORKFORCE INNOVATION AND OPPORTUNITY ACT TITLE I

Annual Statewide Performance Report

For the Period: July 01, 2022 to June 30, 2023

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INTRODUCTION

Each state that receives an allotment under WIOA Section 127 (Youth activities) or Section 132 (Adult and Dislocated Worker activities) must prepare and submit a WIOA Annual Statewide Report Narrative of performance progress to the Secretary of Labor in accordance with with the “WIOA Common Performance Reporting – OMB Control 1205-0526”. The WIOA Annual Statewide Performance Report Narrative serves as a complement to the WIOA Annual Statewide Performance Report (ETA 9169) requirements as defined in OMB Control 1205-0526 and in Training and Employment Guidance Letter (TEGL) No. 5-18.

STRATEGIC VISION

Surangel Whipps, Jr. is the 10th President of the Republic of Palau. He was elected into office in November 2020, and sworn in to the Office of the President in January of 2021. President Whipps, Jr.’s platform envisions Palauans to have improved quality of life through incentives and opportunities that would enable them to pursue their rights to a happy and comfortable life. For him, the people of Palau are the force that drives the progress of our island nation; hence, his slogan, “*A Kot a Rechad er Belau*” (Palauan People First). In response to unfair treatment in the workplace, lack of career opportunities for Palauans, challenges hindering young Palauan entrepreneurs, and the unchecked exploitation of Palau’s natural resources, the slogan represents the conviction that Palauans must secure the opportunities Palau has to offer, and the commitment to push for the improved welfare of the Palauans to be foremost in their country by their government. The Republic of Palau's strategic vision for the workforce system is to create a skilled and competitive workforce that meets the needs of the economy and supports the well-being of all Palauans.

The state's goals are to:

- 1) Increase employment
- 2) Increase the number of Palauans with postsecondary and/or industry specific credentials
- 3) Improve the quality of jobs held by Palauans
- 4) Close equity gaps in workforce outcomes

Palau Workforce Innovation and Opportunity Act (WIOA) Office is integral to President Surangel Whipps, Jr.’s vision in focusing on providing Palauans with the necessary education, training, and employment that would improve their quality of life in Palau. Providing services through the WIOA Title I programs will assist the people of Palau to move forward in acquiring employment opportunities, especially after the effects of the COVID-19 pandemic. Palau WIOA Office supports this vision by facilitating the creation and maintenance of a sustainable work force.

WIOA Formula Funded Programs

Palau receives Workforce Innovation and Opportunity Act (WIOA) funds based on a formula established by the Act. These funds are commonly referred to as WIOA “State Formula Funds”. The Palau Workforce Innovation and Opportunity Act Title I Office/American Job Center is the designated administrative entity for WIOA State Formula Funds of Adult, Dislocated Worker, and Youth.

Palau is a single-delivery state, meaning there is only one State Workforce Development Board (SWDB) and one Local Workforce Development (LWDB) for the entire area.

On June 22, 2021, the President of the Republic of Palau, Surangel Whipps, Jr., closed the Palau WIOA Office, and through his Executive Order (EO) No. 453, the President re-appointed new members for the State Workforce Development Board (SWDB) and the Local Workforce

Development Board (LWDB). The SWDB is made up nine (9) members. The members consist of the President/his designee representing the Office of the President, a representative of President of the Senate, a representative of House of Delegates, the President and the Vice President of the Chamber of Commerce, the Chair of the Palau National Scholarship Board, the Chair of the Foreign Investment Board, the Minister of Finance, and the Minister of Human Resources, Culture, Tourism, and Development. The purpose of the SWDB is to effectuate the requirements of U.S Public Law 113-128 and supervise the Local Workforce Development Board (LWDB) in its efforts to facilitate job creation and training programs and promote the hiring and retention of Palauan citizens in coordination with national and state entities. The Local Workforce Development Board (LWDB) consisted of eleven (11) members who represented community stakeholders from the private and public sectors of the Republic of Palau. The members represented the following private and public agencies: Palau Livestock Association (PLA), Palau Taiwan Farmers Association (PTFA), Palau Aquaculture Alliance (PAA), Palau Chamber of Commerce (PCC), Palau Community Action Agency (PCAA), Division of Youth and Career Development (DYCD) through the Ministry of Human Resources, Culture, Tourism, & Development (MHRCDT), Palau Tourism and Hospitality School of Excellence (PHTSE) through Palau Community College (PCC), Division of Finance and Accounting through Ministry of Finance (MOF), Belau Boater's Association (BOA), Bureau of Human Resources through the Ministry of Human Resource, Culture, Tourism & Development (MHRCTD), and the Ministry of Finance (MOF). The purpose for the LWDB was to manage the program staff and ensure sufficient training to implement the requirements of U.S Public Law 113-128; to keep records that are sufficient to permit the preparation of reports under U.S Federal law and permit the tracing of funds to a level of expenditure adequate to ensure that the funds have not been spent unlawfully; to maintain records and reports of general performance; and to maintain standardized records that can be reviewed for consistency and compliance with U.S Federal Law.

After analyzing the effectiveness of the previous EO, EO NO. 453, President Surangel Whipps, Jr., amended the EO reconstituting the board membership of the State and Local Workforce Boards to comply with U.S Workforce Innovation and Opportunity Act. On September 29, 2023, the President signed the amended EO NO. 485. The amended EO added a new member to the SWDB, the Minister of Education (MOE). SWDB now has 10 members. The EO also amended the membership of the Local Board to include the Youth, Media, and Communications Coordinator from the Division of Youth and Career Development from MHRCTD, the Dean of Continuing Education of the Palau Community College (PCC), the Director of the Bureau of National Treasury from MOF, the Director of the Bureau of Development from MHRCTD, the Director of Palau Visitors Authority, the Executive Director/designee from Northern Reef Fisheries Cooperative, a representative from the Bealu Offshore Fisher Incorporated, and the Director of the Bureau of Curriculum and Instruction from MOE. EO NO.485 removed the following from the LWDB: Director of Human Resource – MHRCTD, the Chief of the Division of Youth and Career Development, and the Director of Palau Tourism and Hospitality School of Excellence from PCC. LWDB now has 15 members, which includes the Director of Palau WIOA Office.

EO NO. 485 outlines the duties and responsibilities of the SWDB as the following:

- 1) to meet regularly and review the activities of Local Board and employees to ensure the proper disbursement of and accounting for U.S. Federal funds;
- 2) to turn over financial reports of all programs/activities to the President, Public Auditor, and Minister of Finance and comply with any requests for further info;
- 3) to retain an accountant or accounting firm to institute generally accepted accounting principles for all WIOA programs; and to retain an independent auditing agency to review programs/expenditures report to the President every two years;
- 4) to ensure that the Local Workforce Development Board operates in compliance with the WIOA Act and maximizes all funds for the

benefit of its programs and services.

EO NO. 485 outlines the duties and responsibilities of the LWDB as the following:

- 1) to manage the program staff and ensure sufficient training to implement the requirements of U.S. Public Law 113-128;
- 2) to keep records that are sufficient to permit the preparation of reports required under U.S. Federal law and to permit the tracing of funds to a level of expenditure adequate to ensure that the funds have not been spent unlawfully;
- 3) to maintain records and reports of general performance; and
- 4) to maintain standardized records that can be reviewed for consistency and compliance with U.S. Federal law.

WIOA Four Year Unified State Plan

In Program Years 2018, 2019, and 2020, programs were carried out in accordance with the strategies outlined in the Republic of Palau Four Year Workforce Strategic Plan for Title I of the Workforce Innovation and Opportunity Act for Program Years 2016-2020. However, the Republic of Palau and Palau WIOA Office was unable to update the WIOA Four Year State Plan due to the overwhelming effects of the CARES Act programs and the change of leadership at the Palau WIOA Office.

On June 22, 2021, the President of Palau closed Palau WIOA Office due to allegations of misappropriation by the former Director, the former Fiscal Officer, and two other staff members of Palau WIOA Office. Immediately after the closure, these four individuals were terminated by the newly instated LWDB. This left Palau WIOA Office without a Director, and a Fiscal Officer. At the same time, neither the Director nor the Fiscal Officer had a succession plan left behind for anyone to take on the helm should they no longer be employed at Palau WIOA Office. An Interim-Director was appointed by the President's Office, Mr. Omdasu Ueki, while they searched for a new Director and Fiscal Officer. LWDB then hired a new Director, Ms. Glendalynn N. Ngirmeriil, and she took office on August 30, 2021. Director Ngirmeriil then took on the task to search for a Fiscal Officer. The new Fiscal Officer, Ms. Tessmarie U. Kodep, was hired and began on December 20, 2021. With the assistance of U.S Department of Labor E&T and UI, Ms. Ngirmeriil and Ms. Kodep began training for WIOA Title I programs and CARES Act PUA and FPUC. However, because of the backlog from CARES Act and a profound amount of administrative errors by the previous Director and Fiscal Officer, WIOA Title I programs were halted so that CARES Act programs could be corrected by the deadline of June 30, 2022. Concurrently, the SWDB and the LWDB were not familiar with the State Plan, therefore, they depended on the new Director to complete the task since she was being trained. However, the CARES Act training and amount of workload to complete did not give the Director any time to focus and compile the new State Plan. Because of all the administrative errors in the CARES Act programs, one hundred percent of the Director Ngirmeriil and WIOA staff's attention was diverted into CARES Act. Between January 2022 and July 2022, Palau WIOA Office was tasked in reviewing claimant applications and then retroactively paying 688 CARES Act claimants who had been wrongly denied PUA and FPUC in 2021. Because of the amount of work, the Office of the President enlisted a writing team to assist in updating the State Plan on February 2022. An updated plan was then upload to US DOL in April of 2022; however, in August 2022, US DOL Federal Project Officer (FPO) informed Director Ngirmeriil that the revised State Plan had compliance issues and must be revised. CARES Act is still overwhelming Palau WIOA Office. Between August 2022 and December 2022, Palau WIOA was tasked with refunding claimants who's PUA and FPUC benefits were wrongly deducted in 2020. In the same month of December 2022, US DOL UI gave Palau WIOA a Review Tool to use to review 1,400 PUA and FPUC claimants in order to correct administrative errors in their files, such as missing Monetary Determinations and identification documents. In March 2023, US DOL UI came to Palau WIOA Office for ON-SITE Monitoring Review. The Director Ngirmeriil could not find any entity or individuals who could assist in the

revision of the State Plan and meeting the compliance issues due to all the CARES Act activities. The SWDB was unable to assist the Director. The WIOA FPO advocated for Palau WIOA Office and was able to acquire a third party, Next Level Now, to assist in the training of the Director and the WIOA staff, which includes State Plan training. The training began in July 2023. At this time, Director Ngirmeriil will be speaking to key partners in order to create MOU's that would secure Palau WIOA's partnership with National Government Ministries and other private entities in order to complete Title I activities as well as the State Plan by February 2024.

WIOA Adult and Dislocated Worker Programs

As a small and single service delivery area, services to adults and dislocated workers are offered through Palau Workforce Innovation and Opportunity Act Office (Palau WIOA Office)/American Job Center (AJC). Programs and services to adults focus on eligible adults and dislocated workers customers must receive at least one career services in the three categories of Basic Career Services, Individualized Career Services, and Follow-Up Services.

Eligibility of individuals to workforce services funded under the Workforce Innovation and Opportunity Act Title I programs are stated in established state workforce policies. The State Board incorporated policies to include veterans and their spouses who meet the WIOA eligibility requirement, to fall under the category of priority customers of workforce services. All state workforce policies were adopted and certified by the State Board. Priority for services are to be given to veterans and eligible veteran spouses, disabled individuals, dislocated workers, displaced homemakers, women, training opportunities for non-traditional employment, low-income individuals, and individuals with multiple barriers consistent with the WIOA laws and regulations.

In June 2023, WIOA FPO to Palau WIOA Office informed the Director that the policies currently utilized by Palau WIOA Office were out of date and must be updated. The latest policies were updated in 2015. The FPO advocated for a third party, Next Level Now (NLN), to train Palau WIOA Office in revising the policies. At this time, NLN is training Palau WIOA in revising WIOA Title program policies. After NLN revises the policies and returns to Palau WIOA, Palau WIOA will present to the SWDB for review. When the policies are reviewed and approved, Palau WIOA will be able to proceed with Adult and Dislocated program activities. The timeline for completion of the policies will be February 2024.

Rapid Response

Not more than 25% of the dislocated worker funds will be allocated to statewide rapid response activities. The State Board and its Executive Committee will determine the criteria for awarding funds to rapid response activities, as the needs arise and are identified, through the WIOA Office to provide services that include but not limited to:

- A. Assist and train individuals, whenever applicable, in case of natural disaster; and
- B. In case of mass layoff, do on-site contact with employers for:
 - 1) Layoff plans and schedule of employer
 - 2) Economic development plans to avert layoff
 - 3) Identify affected dislocated workers and needs

On a given program year, if there are no rapid response activities, due to absence of massive layoffs of workers for reasons of plant closure or government closeout, the rapid response funds will be used at the end of each program year as additional dislocated worker funds for displaced

home-makers workforce activities including the required percentage for statewide activities.

Although Palau's tourism industry and other private industries faced massive layoffs and reduction of hours due to COVID-19 pandemic, Rapid Response funds were not utilized due to the overwhelming number of individuals who were affected by COVID-19. Instead, CARES Act PUA and FPUC funds were then utilized to assist the influx of laid off and individuals whose hours had been reduced. Between June 2020 and January 2021, Palau WIOA issued PUA and FPUC benefits to the laid off and individuals whose hours had been reduced.

WIOA Youths

Palau adopted and added on to the criteria currently being used by the State Board's Executive Committee and the Youth Council the most significant change to the youth formula program under WIOA that focus resources primarily on OSY (Out of School Youth) and that increases the minimum percentage of program funds required to be spent on OSY from 30 to 75 percent includes a major focus on providing youth with work experience opportunities with a requirement that local areas must spend a minimum of 20 percent of local area funds on work experience including the new five program elements of:

- 1) Financial literacy
- 2) Entrepreneurial skills training
- 3) Services that provide labor market and employment information about in-demand industry sectors or occupations available in the local areas
- 4) Activities that help youth prepare for and transition to postsecondary education and training
- 5) Education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

*Additional youth eligibility criteria established by the State Board as a youth who:

- 1) is currently attending an educational program, has previously dropped out of educational program or has poor attendance patterns in educational program during the last school year, and has below average grades;
- 2) is not attending an educational program, has no vocational/employment goal, and has a poor work history or no work history or has been fired from a job in the last six months;
- 3) deficient in basic literacy skills and who cannot compute or solve problems, read, write, or speak English, at or below grade level 4.

The State Board's Executive Committee and the Youth Council determined the criteria for serving youth following required WIOA youth eligibility criteria, the new U. S. DOL youth criteria, and the State Board's additional youth criterion. The membership of these two groups consists of representatives of agencies working with youths or dealing with youth issues on a daily basis. These individuals were instrumental in developing the policies of services to youths. Each agency has their own application forms for their particular program that meets the requirements of their respective funding entity. Through collaborative partnership and periodical meetings, there has been eliminated duplication of similar assessments and provision of required documents.

State workforce policies were established in latter part of 2014 and early 2015 to incorporate all required youth components, have been adopted and certified by the State Board. The general flow of WIOA youth customers will start at Intake and after all required documents have been submitted to the Intake Staff shall then be certified of their eligibility to workforce activities by the Executive Director. The eligibility determination and certification that follows is inclusive to identified barriers and family income level.

- 1) Providing an objective assessment of their academic skill levels, skill levels, and service needs, which include a review of basic skills, occupational skills, prior work experience, employability, interests, aptitudes, supportive service needs, and developmental needs, if they have not already received this service from partner agencies;
- 2) Developing an Individual Service Strategy that shall identify an employment goal, which may not be required if a recent similar document has already been developed by partner agency under another education or training program; and
- 3) Providing preparation for postsecondary educational opportunities, linkages between academic and occupational learning, preparation for employment, and effective connections to intermediary organizations that provide strong links to the job market and employers.

The State Board and the Youth Council designed its youth program to follow the youth program components required by WIOA:

Connecting WIOA with Youth Development - All youth need assistance to grow into healthy and productive adults:

PHYSICAL & MENTAL HEALTH:

- Guidance and counseling
- Supportive services

INTELLECTUAL HEALTH:

- Tutoring, study skills, dropout prevention
- Alternative secondary schools
- Supportive services

CIVIC AND SOCIAL INVOLVEMENT EMPLOYABILITY:

- Leadership Development
- Occupational Skills Training
- Work experience

The implementation of CARES Act grants, Pandemic Unemployment Assistance (PUA) and Federal Pandemic Unemployment Compensation (FPUC), and continuous efforts to complete the programs has overwhelmed Palau WIOA Office from April 2020 to present time. Although Palau WIOA Office had to halt the Adult and Dislocated Workers programs due to CARES Act, Palau WIOA was able to implement the Youth Program with the collaboration of the Ministry of Human Resource, Culture, Tourism, and Development (MHRCTD) in the Summer of 2021, and the Summer of 2022. Although COVID-OMICRON found its way into Palau via travelers in early January of 2022, the Republic has slowly adjusted to the pandemic. As of June 2023, Palau WIOA and MHRCTD collaborated in implementing a newly revised Youth Program that would span a

program year. The Youth Program begins June 1st and ends the following year on April 30. However, due to the amount of funding for the Youth Program, Palau WIOA could only enroll a total of 25 youths (OSY and ISY). These youths are enrolled into a Work Experience program. During each WIOA quarter, these youths are placed in employment in the industry he/she has an interest in pursuing. They are paid a stipend through the work program as an incentive to gain experience in these industries.

Palau WIOA is unable to provide the remaining 13 component services to the youth at this time due to out dated policies. In June 2023, WIOA FPO to Palau WIOA Office informed the Director that the policies currently utilized by Palau WIOA Office were out of date and must be updated. The latest policies were updated in 2015. The FPO advocated for a third party, Next Level Now (NLN), to train Palau WIOA Office in revising the policies. At this time, NLN is training Palau WIOA in revising WIOA Title program policies. After NLN revises the policies and returns to Palau WIOA, Palau WIOA will present to the SWDB for review. When the policies are reviewed and approved, Palau WIOA will be able to proceed program activities. Currently, the Youth policies are being reviewed by NLN. When the revised policies are return to WIOA, WIOA will present the revised policy to the SWDB. If the SWDB approves the policy, Palau WIOA will be able to offer more services under the 14 Youth Components. The timeline for completion of the Youth Policy will be January 2024.

****Palau requested for Youth Program Waiver for Program Year 2020 which was conditionally approved pending actual program activities report.**

****Palau does not receive NEG or Trade grants. WIOA participants are tracked using the Hire Palau Virtual One-Stop System (VOS) and submits its quarterly performance report through the WIPS (Workforce Integrated Performance System).**

Performance Measurement Goals for the Republic of Palau

No.	WIOA Indicators Description	Performance Measure	Benchmark / Target	2023
1	Adult	Employment 2nd Quarter After Exit	52%	0%
		Employment 4th Quarter After Exit	50%	0%
		Median Earnings in the 2nd Quarter after Exit	\$ 2,100	\$ 2,100
		Credential Attainment Rate	50%	0%
		Measurable Skill Gains	50%	0%
2	Dislocated Worker	Employment 2nd Quarter After Exit	52%	0%
		Employment 4th Quarter After Exit	50%	0%
		Median Earnings in the 2nd Quarter after Exit	\$ 2,100	\$ 2,100
		Credential Attainment Rate	50%	0%
		Measurable Skill Gains	50%	0%

3	Youth	Education and Employment Rate 2 nd	53%	0%
		Quarter after Exit		
		Education and Employment Rate 4 th	60%	0%
		Quarter after Exit		
		Median Earnings 2 nd Quarter After Exit	\$1,820	\$1,820
		Credential Attainment Rate	50%	0%
		Measurable Skill Gains	50%	0%

CONCLUSION

Although Palau WIOA Office has faced so many challenges in the past 3 years due to COVID-19 and the administrative errors created due to the mismanagement by the previous WIOA employees, Palau WIOA Title I programs are being revised and becoming a reality. By October 2024, Palau WIOA should have fully functioning Adult, Dislocated, and Youth programs.

***See the attached "WIOA Tentative Workplan and Timeline".*