



**GOVERNMENT OF PUERTO RICO**

**LUIS G. FORTUÑO**  
GOVERNOR

April 11, 2011

Division of Workforce System Support  
Employment and Training Administration  
U.S. Department of Labor  
200 Constitution Ave., NW, Room S-4231  
Washington, DC 20210

Re: Request For Extension of Puerto Rico's State Workforce Investment Act and  
Wagner Peyser's Plan and Existing Waivers For Program Year 2011-2012

To whom it may concern:

On December 30, 2010, the U.S. Department of Labor ("USDOL") issued a Training and Employment Guidance letter 17-10, "Instructions for Submitting Workforce Investment Act (WIA) and Wagner Peyser (WP) State Plans and Waiver Requests for Program Year 2011".

The content of this letter constitutes the Government of Puerto Rico's formal request for an extension of our current State Workforce Investment Act and Wagner Peyser's State Plan, along with our request to extend our current waivers through Program Year 2011-2012.

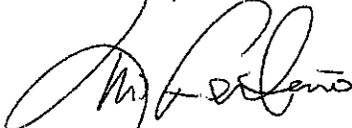
The Government of Puerto Rico and its Workforce Investment System's components appreciate the flexibility awarded through the use of waivers to address our particular local needs. Additional waivers are expected to be requested in the near future upon completion of evaluation and approval by the State Workforce Investment Board.

We look forward to our continued work with the representatives of the Department of Labor's National and Regional Office, which allows us to better serve the citizens of Puerto Rico.

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Please contact the Puerto Rico Labor Secretary, Miguel Romero, for further information at (787) 754-2119 or via e-mail at [mromero@dtrh.gobierno.pr](mailto:mromero@dtrh.gobierno.pr).

Cordigilly,



Luis G. Fortuño

c: Ms. Holly O'Brien, Regional Administrator, ETA  
Hon. Miguel Romero, PR Secretary of Labor and Human Resources  
Mr. Nicolás Muñoz, President, State Workforce Investment Board  
Mr. Aurelio González, Director-HRODC

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DEPARTAMENTO DEL  
**TRABAJO**  
Y RECURSOS HUMANOS  
GOBIERNO DE PUERTO RICO

**GOVERNMENT OF PUERTO RICO  
DEPARTMENT OF LABOR AND HUMAN RESOURCES**

**REQUEST FOR EXTENSION  
PUERTO RICO'S STATE WORKFORCE INVESTMENT ACT AND  
WAGNER PEYSER'S PLAN AND  
EXISTING WAIVERS FOR  
PROGRAM YEAR 2011-12**

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**REQUEST FOR EXTENSION PUERTO RICO'S STATE WORKFORCE  
INVESTMENT ACT AND WAGNER PEYSER'S PLAN AND EXISTING WAIVERS  
FOR PROGRAM YEAR 2011-12**

To ensure meaningful public comment, this waiver request will be available for public review.

A public announcement was placed in a major circulation newspaper for information and comments from the general community. Also a hardcopy will be available in the Human Resources Occupational Development Council's ("HRODC") office, all 15 Local Workforce Investment Areas and at HRODC and Puerto Rico Department of Labor and Human Resources' respective web pages [www.cdorh.org](http://www.cdorh.org) and [www.dtrh.gobierno.pr](http://www.dtrh.gobierno.pr).

**YOUTH**

***Waiver to permit the use of Individual Training Accounts (ITA) for older youth and out-of-school youth program participants***

Waiver of statutory and regulatory requirements under the Workforce Investment Act (WIA) regulations at 20 CFR 664.510 on the use of ITA for older and out of school youth program participants.

Local Areas sometimes receive youth with different economic and social barriers to achieve their academic or employment goals. These youths present the need of youth programs services, like counseling, peer coaching, among others, but also they want to continue postsecondary trainings, graduate and achieve credentials. Through this waiver, the Local Areas can combine ITA with the ten Youth Elements to help some youth to achieve their personal goals. ITA will be tracked and reflected in the individual service strategies for these youths.

**Waiver of the requirement at WIA Section 123 that providers of youth program elements be selected on a competitive basis.**

Waiver of statutory and regulatory requirements under the WIA which requires that the ten program elements for youth be provided through a competitive procurement process. The waiver will allow One Stop Centers and partner agencies the direct provision of services related to Supporting Services, Follow-up Services and unpaid Work Experience. For the waiver to apply to the work experience program element, a local area must continue to document that there are no viable youth providers or that all current providers are underperforming.

Approval of this waiver to LWIBs will be applied on a case-by-case basis. The use of this waiver will not interfere with compliance of OMB requirements and any local and federal procurement laws and policies.

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

#### **FUND FLEXIBILITY**

**Waiver to permit the use of State set-aside Rapid Response funds to support Incumbent Workers Training**

Waiver of the language that limits the authority to provide the activities identified in WIA Section 134(a)(3) to statewide reserve funds. This waiver will allow the use of up to 25% of

the funds reserved for rapid response activities under Section 133(a)(2) to provide statewide activities, including incumbent worker training, but excluding administration. LWIB, as required will report performance outcomes for any incumbent worker served under this waiver in the Workforce Investment Act Standardized Record Data (WIASRD).

**Waiver of the required 50% percent employer match for Customized Training to permit a match based on a Sliding Scale.**

This waiver will permit the use of a sliding scale for the employer match for customized training for the employer match based on the size of the business.

Under this waiver the following sliding scale is permitted:

- No less than % match for employers with 50 or fewer employees;
- No less than 25% match for employers with 51 to 100 employees.
- 50% for employers with more than 100 employees (current statutory requirement.)

This waiver will increase flexibility to serve business and industry based in their specific needs.

**Waiver to permit the use of 10% of Local Area formula funds to provide Incumbent Worker Training**

Waiver of the language that limits the authority to provide the activities identified in WIA Sections 134(a)(3), to permit local areas to request as per evaluation and reasonable justification, to use up to 10 % of Local Area formula funds for adults and dislocated workers to provide statewide employment and training activities identified at WIA Section 134 including Incumbent Worker Training programs, excluding administration. LWIB, as required will report performance outcomes for any incumbent worker served under this waiver in the Workforce Investment Act Standardized Record Data (WIASRD).

**Waiver of WIA Section 101(31)(B) to increase the employer reimbursement for On the Job Training (OJT)**

Waiver to permit an increase in employer reimbursement for OJT through a sliding scale based in the size of the business. Under this waiver the following reimbursement amount will be permitted:

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

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