



REPUBLIC OF PALAU'S
STRATEGIC TWO-YEAR PLAN
FOR TITLE I OF THE
WORKFORCE INVESTMENT ACT OF 1998

For the Period of July 01, 2005 to June 30, 2007

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PLAN DEVELOPMENT PROCESS

The State Workforce Investment Board met and had extensive review of the state planning guidelines for a two-year workforce strategic plan for the Republic of Palau. Each member of the Board expressed their willingness to continue to serve as workforce partners. The Executive Committee which consists of a majority of private business executives were given specific roles and responsibilities to work directly with the WIA Office Director to develop a demand-driven workforce system and enhanced integration and collaboration of workforce activities. As a direct result of the meeting, the Board developed its agenda of further development and improvement of the workforce system to strengthen the achievements of workforce, education, business and economic development.

At its April 15, 2005 meeting, the State Board introduced a process for the development of the new Two-Year State Plan, which included public planning discussion with the President. With the convergence of the planning process and a restructuring of the State Board, emphasis was placed on its opportunity to become the catalyst for developing new workforce system vision and strategies that follow the general direction and leadership the President has provided since assuming office in January of 2001. The identified national priorities in economic plans, cost reduction plan, and management improvement plan, are also viewed by the President and his State Board as critical directions for improving and advancing Palau's workforce system and became major considerations in planning discussions and development.

The President of the Republic of Palau, as the chief elected official has restructured the existing State Workforce Investment Board consisting of all community stakeholders from the private and public sector of the Republic. He has also increased the number of members in the Executive Committee from the State Board to act as State Board Liaison/Local Board and the WIA Grant Subrecipient. He has also increased the number of members in the Youth Council from the State Board whose responsibilities are to assist the State Board's Executive Committee in the development of the State Plan relating to youth activities, recommend eligible providers of youth activities; conduct oversight and other relevant youth activities under the workforce investment system.

The Executive Director of WIA Office have met the Society for Human Resources Management, a non-profit organizations consisting of all human resource directors from the private and public sector of Palau. Through this meeting of the minds, the respective members of this organization have made commitments to collaborate with WIA Office in the training of new employees through on-the-job training, including but not limited to assessed academic needs, or some other employment needs.

The State Board's Executive Committee and the Youth Council undertook a comprehensive planning initiative to set a new strategic direction for the Board to build a highly competitive workforce in Palau. As a single state workforce area, Palau has been operating its workforce investment system on a collaborative partnership with the education toward a better, developed and improved economy.

The state plan development process highlight the following:

- Creating awareness and a sense of urgency around the importance of workforce and economic development that will inform and motivate state and local policy makers, business, education and political leaders about the critical nature of addressing workforce and economic development challenges.
- Building and aligning a demand-driven system that clearly reflects the employment needs of the industry clusters, strengthen partnership, align to business needs, and to enhance the comprehensive workforce information system.
- Identifying and eliminating barriers that inhibit workers from getting the education and training needed to be employable, and employers getting the quantity and quality of the workforce needed.
- Developing systems to measure and report the quantitative and qualitative workforce system impact on local and regional economies and individuals.
- Ensuring continuous improvement toward a demand-driven workforce system.

Formal agreements have been developed and signed by all workforce partnership with the WIA Office and the State Board that include Palau Community College, the Ministry of Education, Ministry of Health, the Chamber of Commerce, and the Belau Employers and Education Association. The agreements set forth collaborative services offered by each partner agency to all workforce customers.

I. STATE VISION

In the fall of 2000, ¹President Tommy E. Remengesau, Jr. was elected by the citizens of Palau with a broad vision of “Preserving The Best and Improving the Rest” of the entire Palau, stated in his Palau Management Action Plan (MAP) of March 2001. This MAP was developed using major planning documents within the Palau 2020 National Master Development Plan (PNMDP), the 1995-1999 Economic Development Plan (EDP), and the 2000 JICA Final Report (“The Study for Promotion of Economic Development in the Republic of Palau), and the Palau National Committee of Population and Children (CoPopChi) Report on Sustainable Human Development, and other reports which include the 2000 Palau Census, and Palau Social Security Annual Report.

The Palau National Master Development Plan, which was adopted by the Olbiil Era Kelulau (National Congress), as the Republic’s long term developmental planning document, is a wide-focused roadmap that articulates economic and social development priorities for the Republic, including infrastructure priorities. The development vision of the PNMDP is to substantially enhance the quality of life of Palauan citizens in both the long and short terms.

The Economic Development Plan (EDP) was prepared prior to the PNMDP, pursuant to Section 231 of the Compact of Free Association (COFA). The plan was defined in Article VI, Section 461(j) of the Compact as a documented program of annual development that identifies the specific policy and project activities necessary to achieve a specified set of economic goals and objectives during the period of free association. Such a document included an analysis of population trends, manpower requirements, social needs, gross national product estimates, resource utilization, infrastructure needs and expenditures, and the specific private sector projects required to develop the local economy of Palau.

The Republic of Palau Two-Year Workforce Strategic Plan adopted the goals and objectives stated in Palau Management Action Plan (MAP) of March 2001, the Cost Reduction Plan of September, 2002, and the Public Sector’s Investment Program (PSIP) 2003-2007, plans developed using the economic and workforce development goals in the PNMDP and EDP, and incorporating the President’s vision to “Preserve the Best and Improve the Rest” of Palauans.

A. Goals and Objectives

To improve the quality of life of the People of Palau

- To incorporate traditional values into the decision making process
- To establish institutions and policies for Palau that will guide it toward achieving economic sustainability
- To assist in the development of the private sector
- To minimize disruptions to the private sector
- To shift resources, where possible, from the public to the private sector and to minimize governmental intervention in the private sector
- To recognize the greater efficiency of the private sector and defer to the private sector where it is capable of providing services
- To increase human resource training and development through all sectors of the economy in order to attract and retain Palauan workers with an eye toward expanding training opportunities for the private sector
- To continue to upgrade and develop Palau’s infrastructure and to act as a catalyst for a strong private sector growth and foreign direct investment

¹ Has recently been re-elected November of 2004 for second term

- To integrate environmental planning in all developmental planning efforts
- To diversify economic opportunities
- To create a stable, predictable and internationally competitive macro economic environment for private domestic and international investment

B. Services

To focus on quality services while aiming to reduce costs

- To pursue cost savings through improved efficiencies and process changes
- To emphasize customer service and to bring government closer to the customer
- To improve access to an appropriate range of services
- To provide fair and equitable service delivery
- To pursue alternate service delivery options, such as privatization and public and private partnerships
- To meet public expectations through service standards and effective communication
- To improve the use of technology to meet service needs
- To work towards constant improvements in the delivery of services

C. Accountability

To ensure accountability of representatives and staff

- To base accountability on well defined outcomes – (e.g., quality, cost, effectiveness, etc.)
- To link accountability to community input

D. Structure and Resources

To create a viable organizational structure

- To streamline internal administration, eliminating duplication wherever possible
- To improve the coordination of the government's decision-making processes
- To clearly define the government's function in relation to the private sector
- To use existing resources (e.g. furniture, computers and office space) wherever possible
- To ensure that management information systems are in place to monitor program effectiveness
- To staff restructured entities with existing employees whenever possible

E. People

To ensure fair and considerate management of employee impacts

- To permit staff opportunities to give input on mechanisms for organizational improvement and restructuring
- To maintain ongoing and open communication with government employees
- To identify and fully utilize human resource competencies
- To minimize the impacts on employee transitions through the development and implementation of appropriate transition programs

F. Community

To foster a strong sense of community while ensuring ongoing communication of the transition

- To provide regular opportunities for the community to provide input and to contribute to the reform process
- To clearly define stakeholders in the community and ensure involvement
- To regularly inform the community of the progress of government work efforts

The Republic of Palau WIA's Two-Year Strategic Plan is designed to meet the Federal requirements of Title I of Workforce Investment Act of 1998. The overall goal of the Republic of Palau is to build on and implement innovative and comprehensive demand-driven workforce investment system tailored to meet the particular needs of the local and regional labor markets.

The vision of the President and his State Workforce Investment Board is to strengthen the workforce partnership of the education, the employment, and business and economic agencies through continuous collaborative efforts of all programs serving youths, adults, and dislocated workers available throughout the Republic.

The State Board and Workforce Investment Act Title I Office (WIA Office) mission statement from the past five years says “we are committed to provide program services for customers who want access to available job training programs or explore creation of flexible, non-degree based training, work experience, and occupational/apprenticeship training.” The Board has enhanced and modified the mission statement to say:

The mission of the President and the State Workforce Investment Board is
“To be a leader and catalyst in creating a comprehensive, customer-driven workforce development system that meets the changing needs of job seekers, incumbent workers, and employers who want access to available job training programs or explore creation of flexible, non-degree training, work experience, occupational/vocational/apprenticeship training. Create a performance-based system that will leverage public and private resources by building partnership to produce a skilled workforce and an improved quality of life as Palauans”.

The people of Palau are constantly challenged by a series of fundamental changes in our economy and our jobs. These changes brought about by new technologies, new infrastructures, and the internationalization of labor and goods have highlighted the fact that the nation’s primary asset is its human capital. Importation of laborers to meet up the demands of the rising hotel and tourism industries, as well as other identifiable and marketable positions, will continue to be a priority issue of the workforce and education systems.

During the past five years, Palau has moved its workforce system of partnership beyond the customary coordination of programs and services to an operational and collaboration of programs through formal agreements streamlining all services toward further development of the nation’s workforce. The Republic’s workforce system maintains its goal of improving career information and counseling, job search assistance, demand-driven workforce that provides services to better prepare workers to take advantage of new and increasing job opportunities in high growth/high demand and economically vital industries of the local and regional economy, by quality education and training to develop a qualified and competitive workforce.

The President of Palau as chief-elected-official and his State Board members comprised of a majority of community and business stakeholders, shall continue to work together to ensure that the Republic has a workforce that provides competitive advantages to its local businesses leading to job creations, higher wages, enhanced customer information data, procedures, career paths and earnings. The State Board has always and will continue to focus on workforce issues that matter to the community. Palau’s strong and business-led State Board can ensure that its workforce investment system will remain relevant by:

- Becoming increasingly demand driven
- Eliminating duplicative administrative costs and services
- Enhancing service integration through established agreements with workforce partners
- Targeting youth program investments to those most in need
- Continuing to improve workforce information systems
- Improving and simplifying performance accountability across programs.

Palau's school-to-work system is a flexible, outcomes-based education system, and the identified five career clusters and academies have been incorporated into the workforce system. This system allows opportunities for youths and adults with life long learning opportunities that are aligned with the needs of the new and changing economy. The President and his cabinet believe that all of Palau's youth, particularly those most in need, must have opportunities for successful careers.

Palau's workforce and education system have the same basic goals and objectives of:

- Increasing the number of high school graduates
- Strengthening the school-to-work system from K-12 education and community college;
- Using labor market and economic information in new and innovative ways that will guide curriculum reforms in education and training.

II. STATE WORKFORCE INVESTMENT PRIORITIES

The President and the State Board's key priorities for Palau's public workforce system are:

- Building a demand-driven workforce to better meet the workforce needs of business and industry;
- Increase partnerships and linkages of programs between the education, workforce, and economic development systems;
- Improve the accountability of publicly funded programs
- Develop strong partnerships among all community stakeholders;
- Target limited resources to areas that will have great benefits of economic impact;
- Focus investments on high wage, high skilled, high-growth jobs;
- Advance workers with barriers to employment;
- Take full advantage of federal flexibility and waiver provisions
- Improve and strengthen the school-to-work system;
- Increase the number of high school graduates, and
- Align life-long learning opportunities with the emerging economy.

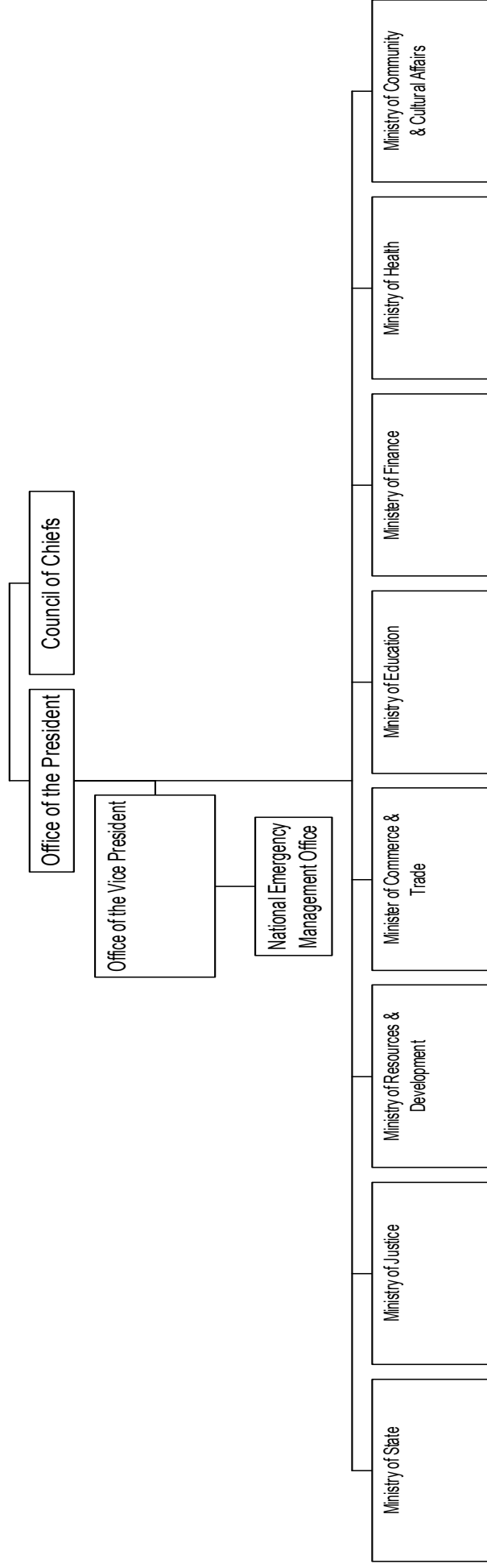
The President and his State Board continues its commitments to providing high-quality service for all individuals seeking training, employment, job retention, or increased earnings and preparing Palau's youth with the knowledge and behavioral skills necessary to enter and succeed in high skill, high-wage careers. Dedication to meeting Palau employer's workforce needs remain a top priority.

The State Board's enhanced partnership with the Ministry of Education, Palau Community College, the Chamber of Commerce, and the Belau Employers and Education Association, will lead to more seamless delivery of services and universal access for all customers. The continuous blending of the workforce development and education system is very much critical to sustaining and advancing the economy of Palau.

III. STATE GOVERNANCE STRUCTURE

A. Organization of State agencies

REPUBLIC OF PALAU EXECUTIVE BRANCH ORGANIZATIONAL CHART



The **Council of Chiefs** consist of all chiefs from the sixteen local governments and acts as the advisory council of the President in matters relating to traditional laws and customs. The **Vice President** also serves as a member of the President's Cabinet and is one of the eight ministers. The ministry to which the Vice President becomes a member is between the President and the Vice President to select or choose. In the absence of the President from Palau, the Vice President serves as the President and continues to perform his or her duties as a cabinet minister.

The eight Ministries have other subordinate agencies and departments.

Ministry of State:

- Embassies/Consulates
- Public Defender's Office
- Passport Office
- Bureau of International Trade & Technical Assistance
- Bureau of Domestic Affairs

Ministry of Justice:

- Office of the Attorney General
- Bureau of Immigration
- Bureau of Public Safety
 - Division of Patrol
 - Division of Criminal Investigation & Drug Enforcement
 - Division of Fire & Rescue
 - Division of Corrections
 - Division of Marine Law Enforcement
 - Division of Fish & Wildlife Protection

Ministry of Resources & Development

- Palau Automated Land & Resources Information System
- Palau Fisheries Advisory Committee
- Bureau of Agriculture
- Bureau of Marine Resources
- Bureau of Public Works
- Bureau of Lands & Surveys

Ministry of Commerce & Trade

- Bureau of Commercial Development
 - Division of Economic Development
 - Division of Transportation & Communication
- Bureau of Human Resources Development
 - Division of Labor
 - Division of Job Placement

Ministry of Education

- Bureau of Education
 - Division of Personnel Management
 - Division of Curriculum & Instruction
 - Division of School Management
 - Division of Research & Evaluation

Ministry of Finance

- Information Systems Support Services
- Bureau of National Treasury
- Bureau of Budget & Planning
- Bureau of Public Service System
- Bureau of Revenue, Customs & Tax

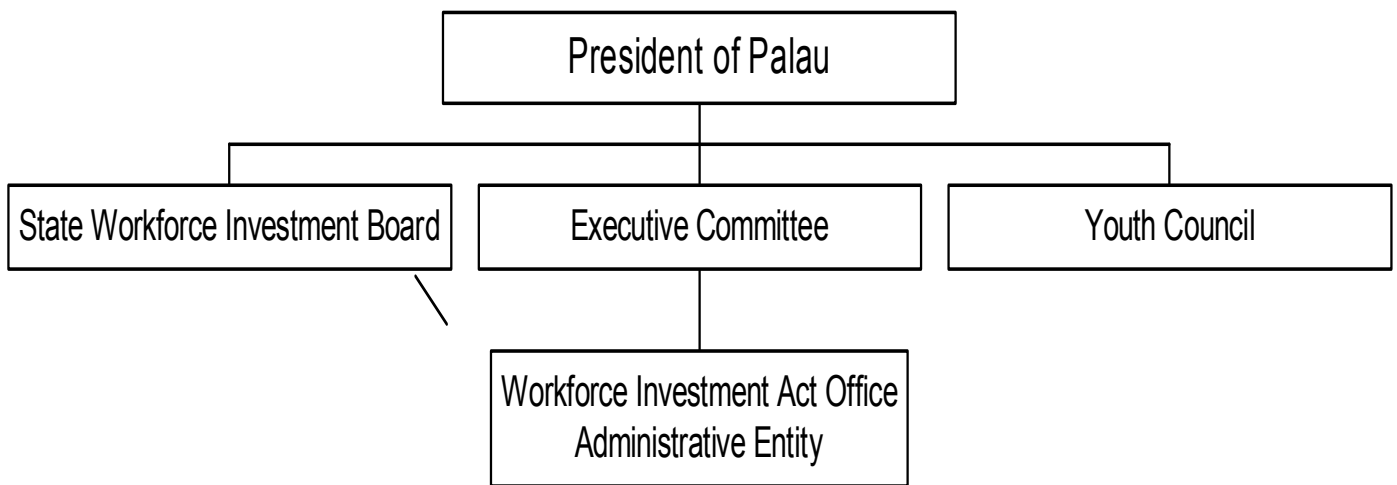
Ministry of Health
 Office of Health Services Administration
 Bureau of Hospital & Clinical Services
 Bureau of Public Health

Ministry of Community & Cultural Affairs
 Aging Program
 Palau National Archive
 Bureau of Community Services
 Bureau of Arts & Culture

The President of Palau submits his nominations and appointments of the seven ministers identified above to the Olbiil Era Kelulau (The Legislative Branch of the Government) for final consent and approval. The Vice President automatically becomes a Minister and does not have to be approved by the Legislative Branch. The President also appoints Bureau heads under each of those agencies. All Ministers are members of the President’s Cabinet and meet on a regular basis. The interrelation of appointed officials at the cabinet level allows for cross communication of issues that include the public workforce investment system.

B. State Workforce Investment Board

REPUBLIC OF PALAU
 STATE WORKFORCE INVESTMENT BOARD
 ORGANIZATIONAL CHART



Palau as a single state workforce investment area combined state and local boards into the State Workforce Investment Board. An Executive Committee was established from among State Board members. A Youth Council was also established from among the State Board members whose representing agencies are involved with youth activities.

The President of Palau, as chief elected official is the Grant Recipient for *Workforce Investment Act Title I Adult, Youth, and Dislocated Workers Funds*. He is also a member of the State Board. As chief elected official, he appoints non-legislative State Board members as well as the Chairman of the State Board. He also certifies members of the Executive Committee and the Youth Council.

The State Board restructured its membership to allow equitable quorum to conduct business. Two senators and two delegates represent the Olbiil Era Kelulau (the Legislative Branch of the Government); fifteen members are from the private and business sector of the community; six members are from the national and state governments; one from community college; three from community-based organizations; and two required WIA partners. The four State Board members from the Legislative Branch were appointed by their respective officials, namely, President of the Senate, and Speaker of the House of Delegates. Appointment documentations were duly given to the Office of the President and the WIA Office.

All State Board members, including those from the public sector, were recommended to the Governor for selection because of their individual leadership experience and abilities. These individuals agreed to serve on the State Board prior to their nominations. Letters of appointments from the President's Office were sent out to each individual and to the WIA Office. These appointed members are leaders in the Palau community, both in business and in government, and have vested themselves in continuously preparing Palau's workforce to support economic development and improving the quality of life as Palauans for all Palauans.

The leadership from the President enables the State Board and its Committees to have the support and authority to bring to the various partners and community stakeholders collectively toward a more cohesive and coordinated effort of serving and outfitting the human resource to achieve the vision of the workforce system. Board members from across governmental agencies, the National Legislature, the Education System of K-12, the community college, and major business representatives will have the interest, expertise, and resources to meet the requirements of WIA and that of the Republic's workforce system. Employers and their employees are beneficiaries of the system and they will have the leadership role in shaping the Board's roles and responsibilities. As a direct result of this combined leadership, the Board will be well prepared to assess and mold a demand-driven workforce system.

The State Board is responsible for assisting the President in all functions outlined in WIA section 111(d). These functions are carried out through the State Board's Executive Committee and the Youth Council. Policies and procedures have been developed, maintained, and followed by the WIA Office to carry out the functions of the State Board. All policies developed are presented to the full State Board for action. Once the policies are adopted, the State Board works closely with its committees to implement them in the delivery of workforce investment activities.

The composition of the State Workforce Investment Board is as follows:

Owners of businesses, chief executives or operating officers of businesses, and other business executives or employers with optimum policymaking or hiring authority:

1. Directing Manager – Koror Wholesalers
2. Owner/Manager – Lomisang Accounting Services
3. Manager – Shmull Enterprises
4. Manager – Philip Reklai & Associates
5. Station Manager – Continental Micronesia
6. Manager – Melekau Insurance Agency
7. Manager – Mobil Oil Micronesia

8. Manager – Moylan’s Insurance
9. Owner/Manager – Waterfront Villa

Represent businesses with employment opportunities that reflect the employment opportunities of the State: (business representatives)

10. Human Resources Director – Palau Pacific Resort
11. Human Resources Manager – Surangel & Sons Company
12. Human Resources Director – Palau Conservation Society

State business organizations and business trade associations who were nominated by their respective organizations: (business representatives)

13. President - Chamber of Commerce
14. Bank Pacific – Member of Chamber of Commerce
15. Pacifica Development Corporation – Member of Chamber of Commerce

With no existence of labor unions in Palau, employee representative was selected among the most populated public employers:

16. Ministry of Education – Bureau of Public Schools

Chief elected officials (representing both cities and counties, where appropriate): There are sixteen local governments {similar to counties} that have their own state governors association.)

17. Koror State Governor – Member, Association of Governors
18. Melekeok State Governor – Chairman, Association of Governors

Representatives of individuals and organizations that have experience with respect to youth activities, including chief executive officers of community colleges and community-based organizations:

19. Chief – Division of National Youth Affairs
20. President – Palau Community College (semi-autonomous agency)
21. Director – Palau Community Action Agency (community-based agency)
22. President – Belau Employers and Education Association (non-profit organization)
23. President – Society for Human Resources Management (non-profit organization)

The required WIA partners:

24. Director – WIA Office (semi-autonomous agency)
25. Program Coordinator – Adult Education & Literacy Program (Ministry of Education)

Other representatives or agency officials such as agency officials responsible for economic development and juvenile justice programs in the State: (public representatives)

26. Chief – Division of Labor
27. Director – Juvenile Justice Program

Functions of the State Workforce Investment Board:

Assist the President to:

- a. Develop Statewide Plan;
- b. Develop and continue improvement of a statewide system of activities funded under subtitle B of Title I of WIA;
- c. Develop linkages and collaboration of programs to eliminate duplication of services, including as necessary, addressing any impasse situations in the development of formal agreements among workforce partners;
- d. Develop allocation formulas for the distribution of adult employment and youth activities; and
- e. Develop and continue to improve on comprehensive State adjusted levels of performance, assess effectiveness of the workforce investment activities in the State, as required under WIA.

Executive Committee:

Established with State Board members of five business representatives, one community-based organization member, and three public sector representatives:

- Directing Manager – Koror Wholesalers-Member of Chamber of Commerce (State Board Chairman)
- President - Chamber of Commerce (State Board Vice Chairman)
- Owner/Manager – Lomisang Accounting Services

Bank Pacific – Member of Chamber of Commerce
Manager – Shmull Enterprises
Director – Palau Community Action Agency (community-based agency)
Chief, School Management – Ministry of Education
Chief, Division of Labor – Ministry of Commerce and Trade

Functions of the Executive Committee:

Serve as –

- Liaison of the State Board regarding administrative issues;
- Advise the State Board on the implementation of the WIA Title I-B activities;
- Be the local grant subrecipient through established written agreement with the President
- Oversee WIA Office;
- Develop statewide and local plans for WIA Title I activities
- Identify eligible service providers;
- Establish performance measures;
- Review and award programs to selected service providers;
- Review and approve budget developed by the WIA Office;
- Ensure policies and procedures are in place to track expenditures and program performance.

Youth Council:

Established with State Board members of three business representatives, two Legislative representatives, and three public and semi-autonomous agency representatives:

Manager/Owner – Melekau Insurance Agency
Human Resources Director – Palau Pacific Resort
President – Society for Human Resources Management
Senate Chairman on Youth and Social Affairs
House of Delegates Chairman on Youth and Social Affairs
President – Palau Community College
Executive Director – WIA Office
Director – Juvenile Justice Program

Functions of the Youth Council:

- a. Assist the Executive Committee to develop youth portion of the State Plan;
- b. Recommend eligible providers of youth activities;
- c. Conduct oversight of eligible youth activities;
- d. Coordinate youth activities authorized under WIA;
- e. Serves as a catalyst for engaging youth providers in policy development and service design of a comprehensive youth system;
- f. Other duties as specified by the Executive Committee.

The State Board and the Youth Council meets on a quarterly basis while the Executive Committee meets on a monthly basis. Notice of meetings is given to all members by personal delivery and through e-mail. These meetings are published through public announcements and are open to the general public's interests.

Meetings are held at appropriate places that allow access to all people including individuals with disabilities. Minutes of meetings are recorded, documented, and kept in file at the WIA Office. The documents are issued on a timely manner and distributed to all Board members for review, information, and adoption. State Board membership list, meeting agendas, and approved minutes of meetings are kept at the WIA Office and are made public documents accessible and available to the public.

Republic of Palau Workforce Investment Policy No. 07-022-2000 addresses State Board members' conflict of interest. This policy sets forth WIA requirement prohibiting State Board member from voting on a matter under consideration by the Board:

1. Regarding provision of services by such member or by an entity that such member represents; or
2. That would provide direct financial benefit to such member or the immediate family of such member; or
3. Engaging in any other activity determined by the President to constitute a conflict of interest in the State Plan.

The State Board entered into a Memorandum of Understanding and Agreement with the President to identify the WIA Office as the Administrative Entity for administering activities of the State Board in implementing all required provisions of the WIA. The WIA staff plans, develops, and facilitates State Board meeting; and, carries out recommendations as assigned from the State Board, Executive Committee, and Youth Council. The Executive Director of WIA is an integral part of the State Board, contributing as a facilitator and participant at State Board meetings. The same individual has a leadership role in the preparation and planning for each State Board meeting, assists the Executive Committee and the Youth Council on any issue that require consensus building discussions and policy-related issues. All these discussions and issues are then forwarded to the State Board for final review and consideration. These roles include researching issues and providing background material required by the committees to engage in productive discussion of issues and leading high-level policy discussions.

C. Structure/Process for Collaboration

As a single state workforce area with a population of 19,129² and land mass area of 170.4 square miles, the leadership from the President, as member of the State Board, and members representing business and community, governmental agencies, the National Legislature, the education system, the community college, and major non-profit organizations demonstrate commitment to build a strong economy for Palau. Formal agreements have been established with major partners such as the Chamber of Commerce, the Belau Employers and Educators Association, the Ministry of Education, the Ministry of Health, and the Palau Community College that have vested interests in workforce issues. The establishment of the collaborative partnerships helps to utilize minimal resources, eliminate duplication of services, and be able to provide demand-driven services toward a quality workforce.

Although Palau does not have a One-Stop Center co-located in one building, the workforce and education partners have entered into agreements that spell out delivery of services to youths, adults, and dislocated workers, eliminating duplication of services, and a common goal to accomplishing positive results. Periodic meetings of the partners' front line staff not only allow continuous sharing of information and referrals of customers to real services and lifelong learning but also maintain collaborative effort of a progressed workforce investment system. The Youth Council and the WIA Office shall set forth specific youth program requirements to ensure that youths are receiving high-quality services from potential service providers, designed programs that incorporate the principles and practices of youth development, and that are most likely to have a positive impact on performance measures.

² Republic of Palau 2000 Census of Population and Housing (www.palau.gov.net/stats)
Bank of Hawaii Republic of Palau Economic Report April 2003

The common goal of the partners is to help youths to grow into healthy and productive adults. The workforce youth development connection of aligning WIA program elements will be a shared common goal among the partners to achieve the best performance measures and outcome.

Physical and Mental Health

- guidance and counseling
- supportive services

Intellectual Health

- tutoring, study skills, dropout prevention
- alternative secondary schools
- supportive services

Civic and Social Involvement

- leadership development

Employability

- occupational skills training
- work experience
- summer employment

As a small island nation, everything and everyone are interacting and communicating on a daily basis. State Board meetings are conducted at places accessible to the public. Notices of meetings are distributed among the members through memorandums and e-mails. Once policies are adopted by the State Board, they become public records. All workforce documents are kept and maintained at the WIA Office and made public records for anyone interested in obtaining copies of needed documents.

IV. Economic and Labor Market Analysis

The government is still the primary employer employing 2,080 workers. Tourism continues to be Palau's leading private sector income source, with potential for further growth. Agriculture and fishing industries, while comprising of a small share of the national output and income, are among the potential industry for growth. The labor force increased from 8,368 in 1995 to 9,607 in 2000, an increase of about 13 percent. Of the total 9,607 in labor force, 9,383 were employed and 224 were unemployed. Unemployment rate declined by about 5 percentage points from 1995. There are still 4,634 Palauans of employable population who needs to either further or obtain quality education and training.

There are several unique factors that determine the performance of the Palau labor force. Unemployment rate of the local population, the low wages and earnings of employees in the private sector, the number of youths and young adults graduating from high schools or the local community college and entering the labor market, the high number of imported foreign laborers, and the slow industrial development signify limited number of job vacancies in the future. Significant training costs versus earning gains are one of the limiting factors of local government and other agencies to provide training of technical skills. This dilemma often necessitates off-island training that results in expensive training costs.

LABOR MARKET INDICATORS

Information on employment and wages/earnings is available in Palau through the Census of Population and through the Department of Labor and Social Security. These statistics provide information about the occupations, areas of activity and earnings of employed people in Palau.

Labor Market Indicators	2000	1995	1990	1980
Number of persons employed, males	5,827	4,735	3,544	
Number of persons employed, females	3,556	3,045	2,057	
Number of persons employed, urban	8,170			
Number of persons employed, rural	1,213			
Number of persons employed, private	6,338	5,098	3,484	1,182
Number of persons employed, public	2,745	2,661	2,115	1,563
Number Unemployed, males	121	321	289	
Number Unemployed, females	103	267	182	
Unemployment rate, urban	2%			
Unemployment rate, rural	7%			
Unemployment rate, males 16 – 24	5%			
Unemployment rate, females 16 – 24	6%			

Contact organization: Ministry of Commerce and Trade.

According to Labor Force statistics in the 2000 Palau Census and 2002/2003 Palau Statistical Yearbook, the following industries are categorized as follows:

<u>INDUSTRY</u>	<u>NUMBER OF WORKERS</u>
1. Managerial and professional specialty	2,187
Executive, administrative, and manager	1,193
Management related	292
Professional specialty	994
Engineers and natural sciences	85
Teachers, librarians, and counselors	469
2. Technical, sales, and administrative support	2,026
Technologists and technicians	325
Sales	595
Administrative support, including clerical	767
Secretaries, stenographers, typists	393
3. Service	1,762
Private household	573
Protective service	291
Service, except protective & household	898

Food preparation and service	601
Cleaning and building service	281
4. Farming, forestry, and fishing	734
5. Precision, production, craft and repair	1,592
Mechanics and repairers	422
Construction trades	783
Precision production	387
6. Operators, fabricators, and laborers	1,082
Machine operators, assemblers, inspectors	117
Transportation and material moving	720
Handlers, equipment cleaners, helpers	245

³As in other small US-affiliated economies of the Western Pacific, Palau’s economic mainstay is services. Although tourist services have increased in recent years and expected to increase in the future, public services remain the most dominant source of jobs and income in Palau.

The root cause of the public sector’s dominance in Palau, again common in other Pacific island economies, is the communal social and economic structure. Modern government is yet another form by which the communal system manifests itself and allocates resource in a manner in which collective decision-making remains an important element.

In April of 2003, a document called Republic of Palau Public Sector Investment Program 2003-2007 (PSIP) established Palau’s public sector infrastructure priorities over the next five years. The Program is in line with, and incorporates, prior planning infrastructure documents, including the ‘Palau National Master Development Plan (“PNMDP”) and the ‘Economic Development Plan’ (“EDP”). The PSIP also incorporated recommendations from the recent “Study for Promotion of Economic Development in the Republic of Palau (“JICA Study”) and the Management Action Plan (“MAP”). The report also takes into account various sectoral reports where relevant to infrastructure development issues.

Because of this PSIP, a brief description of the guiding rationales was made, by sector, for the selection of priority infrastructure projects as follows:

A. Priority Areas

1. Tourism

Tourism is clearly the engine that will drive Palau’s economic growth. It is therefore imperative that Palau maximizes the contributions of the tourist sector to the Palauan economy by:

- Diversifying our tourism product base;
- Expanding our labor and human resources;
- Strengthening our planning and development capacity;
- Establishing a regulatory framework that ensures minimum tourism industry standards;
- Enhancing our capacity to effectively protect our tourism assets base; and
- Ensuring that the benefits of tourism flow to the local community.

³ Bank of Hawaii Economic Report of 2003

Palau has witnessed no shortage of studies and reports concerning its tourism industry. Unfortunately, little has been achieved in the way of implementation. An important reason is that the tourism sector has not had an adequate administrative structure to take responsibility for the overall development of the industry. The Administration has consequently established the National Tourism Unit to provide such structure and to act as a 'change agent' for growth.

In addition to adding the necessary administrative institutions that will implement the goals and objectives of the tourism industry, Palau must increase the scope and number of its tourism opportunities. To accomplish this, Palau must develop a private sector framework conducive to tourism growth. It must also establish the necessary transportation infrastructure to permit access to such opportunities. Other basic infrastructure, such as water, sewers, telecommunications and electrical power must also be put into place to meet the needs of an expanded tourism industry. Most importantly, airline and airport capacity must be expanded and strengthened to permit tourists to travel, without undue burdens or expenses, to Palau.

2. Agriculture

While the potential for development of agricultural products, especially at the export level, is somewhat limited, the establishment of a viable agriculture sector would have a great impact on the current balance of trade deficit and upon employment. Possibly of even greater importance is the issue of food security. In this regard, priority should be given to expanding production capacity to meet domestic demand first. To encourage increased domestic production, incentives should also be developed to focus efforts on agriculture products consistent with domestic consumption demand and with export potential. In order to respond to these broad economic issues related to the establishment of a viable agricultural sector, basic capacity must be established. This capacity must be provided at both the subsistence and the market levels. It also requires an adequate market system, including a central market, a stronger technical base, a viable quarantine system, a broadening of plant diversity and significant training opportunities. Finally, the eradication of the fruit fly, as well as other agricultural pests, must be undertaken in the most cost-effective and efficient manner.

3. Fisheries

a. Fishing. In the area of fisheries, greater returns, on a sustainable basis, and increased local involvement in Palau's offshore and inshore marine resources must occur. Palau must also maintain an extraction level for subsistence while protecting the natural marine environment for tourism and cultural purposes. In addition, the basic infrastructure for curing and preserving fish and fish products must be put into place. Finally, study must be made into the potential for value added on-shore fish-processing capacity.

b. Aquaculture. The establishment of a viable aquaculture is critical in order to preserve our natural marine environment for subsistence and commercial purposes and the capacity will require considerable technical assistance, as the art of aquaculture is quite sophisticated and requires meticulous maintenance. As with all fish products, adequate curing and preservation capacities are also required.

4. Trade

Due to its location, Palau has great potential as a transshipment port for the region. However, to move into this growth sector, port capacities must be clearly identified and significantly expanded. In order to accomplish this, a comprehensive plan must be developed.

5. Light Manufacturing

A light manufacturing industry would require a comprehensive infrastructure system, foreign direct investment and an expanded technical base. One of the priorities of such light manufacturing is the employment opportunity made available to Palauan citizens. We need to establish the vehicles to ensure that funds expended in the Republic stay in the Republic and in turn generate additional and expanded income opportunities. This is especially important for tourism industry products.

B. Infrastructure Requirements

1. Transportation.

a. Roads. Without a comprehensive road system, economic development will not occur at the rate necessary to replace Compact revenues. It is therefore a very high priority. In addition to completing the Compact Road, the Republic must improve access roads throughout the nation. It must also repair the existing paved roads and streets. This must all be accomplished within the context of an expanded and improved management, maintenance and technical capability.

b. Airport/s. Due to the overriding importance of tourism to the achievement of economic development, the expansion and improvement of the International Airport in Airai is imperative. This airport must be internationally accepted and economically efficient in order to cope with current and projected demands as well as to enhance competition by encouraging multiple carriers to establish direct flights. The issue of runway expansion must be reviewed in light of new airplane technology. The current runway must also be maintained to Federal Aviation Agency standards. Finally, internationally acceptable guidance systems must be put into place in order to encourage direct flights from regional neighbors. Consideration must also be given to the improvement of Palau's other two airports in Peleliu and Angaur, as well as consideration of the construction of commuter airports on other outer islands.

c. Seaport/s. On the general level, Palau must establish, maintain and manage ports and marine facilities to meet the requirements for international shipping, internal transport, tourism and the development of marine resources. Currently, the Malakal port in Koror is Palau's only commercial port. Although the port is presently handling approximately 120,000 tons of cargo per year and has additional cargo capacity, backyard space is insufficient, especially for operation of containers. In addition, the port is inefficient for the transfer of fuel to power plants. The port is currently not deep enough to handle larger ships. It is therefore essential that a comprehensive port study be undertaken to define the appropriate use and expansion needs of the port, and the use of alternate ports. In addition to port expansion and improvement, sea marker installation is necessary to improve safe navigation.

2. Water.

Since 1993, a number of projects have been undertaken in Palau. Consequently, all of Palau's states, except Kayangel, Hatohobei and Sonsorol state, have their own community water supply systems. However, projected economic expansion will require further enlargement of the water systems throughout Palau. At a minimum, a reliable safe water system must be provided to all states of the Republic in a cost effective manner. In addition, existing water supply systems and watershed areas must be maintained to supply a sufficient supply of safe water. In order to do this, a comprehensive charge-back system must be contemplated.

3. Wastewater.

As with water, major expenditures have been made to improve and expand Palau's wastewater system. In fact, in Koror State, a major expansion project is near completion. Despite this fact, there are still many households unconnected to the sewer system in Koror and septic systems in outlying states. It is consequently imperative that a comprehensive wastewater study be undertaken to identify expansion and improvement needs in Koror and in the outlying states.

4. Solid Waste.

The current solid waste facility (open dump) in Koror is already over capacity and inappropriate. In addition, it is in a very poor location, near a marina, hotel, restaurant, tourist diving operation, residential area and the Palau International Coral Reef Center. In order to respond to this major problem, the National Government has identified a new solid waste site on the border of Airai and Aimeliik, which has been agreed to by both states via a memorandum of understanding. In addition to the inadequacies of the current dumpsite, there are insufficient vehicles and staff for collection and hauling of garbage.

This situation is made worse by the lack of expertise regarding solid waste management. Due to the potential impact of the current situation on public health, it is imperative that a comprehensive waste management study be undertaken. This study should set forth a final plan to develop the new waste management facility site, to develop transfer stations in Koror and elsewhere, as appropriate, and to identify the necessary equipment for haulage and collection. The study should also assess and provide recommendations regarding solid waste needs in other states. Finally, upon the opening of the new facility, the old dump will have to be closed.

5. Energy.

The Palau Public Utility Corporation (PPUC) generates almost all of the electric power in Palau. The current capacity of PPUC is approximately 30 Megawatts. New power generation systems have also recently come on line in Peleliu, Angaur and Kayangel. Because the PPUC rate structure includes a replacement cost component, the replacement of existing generators must be undertaken by the corporation. The Republic is committed to pursuing renewable energy sources, where feasible and affordable, in order to reduce dependence of fossil fuels and to protect the environment for future generations. In this effort, the government is currently studying the potential for Ocean Thermal Energy Conversion (OTEC) to replace at least a portion of the diesel generator power system. The National Government is also studying the feasibility of incorporating solar and wind power options into the nation's energy portfolio.

6. Telecommunications.

As with electricity, telecommunications is managed by a quasi-governmental corporation, the Palau National Communications Corporation (PNCC). PNCC provides domestic and international telephony, Internet and data, cellular phone, and cable television services for the Republic of Palau. The Corporation has instituted a schedule of rates that take into account the payback on the loan provided by the United States Rural Utilities Service (RUS) to install the current telephone system. However, currently, due to changes in international revenues, the rate schedule does not provide sufficient funds for all projected required capital investments.

a. Domestic

PNCC has in place a domestic Fiber Optic Network that serves all of Babeldaob and Koror. This system is linked to the states of Kayangel and Angaur by digital microwave. This system needs to be upgraded to provide broadband capability, connectivity, and redundancy to support future growth that was not provided for in the original system installation. The existing system was designed in 1994 and installed 1996 with only the capacity to support projected needs for voice services and did not take in account the coming of the Internet age or the advances in cellular technology. The current fiber optic equipment is OC3 (55Mbs) and is completely utilized in significant segments of the network. Substantial segments of the network do not have redundancy (SONET Ring) due to lack of capacity. The upgrade of the fiber optic network is essential for economic growth, development, and equitable access throughout Palau. At the present time, PNCC's ability to serve areas outside of Koror at high data speeds is limited. With this upgrade of the electronics on the fiber optic network, PNCC would be able to provide Wide Area Networks (WANs) for all of Palau; giving government, education, health, and business the ability to connect all states within Palau at Broadband speeds.

b. International

1. Satellite Systems. At the present time, Palau has only satellite service for international connections. The satellite connection is provided by one earth station. Having only one gateway for international connectivity puts Palau in a vulnerable position in regards to disruptions of international communications. Indeed communications to the world have been interrupted several times in the recent past due to electrical or natural disasters. PNCC is currently constructing a separate earth station site so as to have redundancy and diversity of routing. This site will be equipped initially to provide only essential emergency communications capability but will be capable of expansion to provide more capacity. A project to provide increased capacity at this second earth station is required so that network capacity for the welfare and economy of Palau is assured in the event of a prolonged outage at the primary earth station.

2. Trans-Oceanic Fiber Optic Submarine Cable Transmission System. A study should be undertaken to determine the need, feasibility and potential funding sources to bring a trans-oceanic fiber optic submarine cable transmission system to Palau. If the study indicates positively that a submarine cable transmission system is feasible on a sustainable basis, a project to build a fiber optic submarine cable transmission system would give Palau the potential for increased economic growth.

In Section VI of the PSIP, it lists Capital Improvement Projects (CIP), in four categories, each with different priorities. These are:

- **Major On-Going** Projects (funded);
- **Tier A Priority** Projects (un-funded);
- **Tier B Priority** Projects (un-funded); and
- **Tier C Priority** Projects (un-funded).

Funding sources for the listed projects are not identified. However, as a policy matter, every attempt is made to seek financing mechanism for projects that have a significant revenue stream. Those that do not will be financed within available revenue sources.

<u>Major On-Going projects:</u>	<u>Estimated Cost:</u>
Palau Rural Water Systems	\$ 10,000,000
Belau National Museum Complex in Koror	\$ 2,600,000 (Completed in 2004)
Malakal Natural Wastewater Treatment Park	\$ 4,700,000
Ngara-Amayong Cultural Center	\$ 2,500,000 (Completed in 2004)
Ngarchelong Road Paving Project-Compact Road Ext.	\$ 4,700,000
Palau National Capital Relocation	\$ 37,500,000
Palau International Airport Terminal Project	\$ 12,500,000 (Completed in 2004)
Palau Compact Road	\$113,000,000
Peleliu Primary Road Construction	\$ 2,500,000
Aimeliik Solid Waste Management Facility Site Prep.	\$ 1,900,000
	<u>\$188,540,000</u>

Prioritized Projects (Tiers A, B, & C) listed in Attachments _____ include:

- Public Utility
 - Waste management, wastewater, and water supply;
- Transportation
 - sea transportation, road transportation,
 - and air transportation
- Telecommunications
- Tourism
- Agriculture
- Environmental Management
- Social
- Land Use
- Urban Development
- Banking, and
- States

An approximate value of the project totals is:

A-Tier of	30 projects	\$203,750,000
B-Tier of	20 projects	\$104,565,000
C-Tier of	16 projects	\$ 45,800,000
Prioritized Projects Sub-total (Tier A, B, & C)	66 projects	\$354,115,000
Major On-Going of	10 projects	\$188,540,000
Total:	76 projects	<u>\$542,655,000</u>

Of the 14,241 total numbers in labor force, only 454 people (16 years and older) were doing subsistence activities such as gardening, fishing, and raising animals for home use only in 2000. The others were either doing no subsistence (13,040 or 92%) or doing both paid agriculture and subsistence activities (747 or 5%).

According to social security data, temporary foreign workers in Palau numbered 4,827 in September of 2002. Those from the Philippines accounted for 65.0 percent and those from China 19.8 percent. Combined, the Philippines and China supply about 85 percent of Palau's foreign labor, and because these two countries have labor surpluses, they are likely to continue to dominate Palau's foreign labor force. The latest annual statistical report from the Division of Labor shows a total of 738 new and renewed foreign workers as of April, 2005, ranging from professional and technical positions to clerical, sales, and services occupations.

Taking into account the six occupations identified in the 2000 Palau Census, the five priority areas of infrastructure development and requirements, this clearly shows that Palau needs to have a strong workforce and education systems. These combined systems will be able to provide needed employment skills and academic skills training for the emerging labor force population and human resources of the Republic. The Palau workforce requires a worker who excels at solving problems, thinking critically, working in teams, and constantly learning on the job.

As has been identified in the PSIP, long-term economic development exists in potential occupations such as tourism, fishing, and agriculture, trade, and light manufacturing. Other skill areas and occupations in high demand are in the health and allied areas (nursing, laboratory, radiology, pharmacy, physical therapy, and environmental health), computer operators and repair technicians, telecommunication operators and technicians, airline personnel, and other technical skills compatible to the industries' occupations. These skill demands have been incorporated into the school-to-work/education system of five career clusters of Arts and Humanities, Business Information System, Health/Human Services, Industrial Engineering, and Natural Resources.

The **Palau Community College** as a workforce partner offers the following services to workforce customers:

The **Adult High School Program** – an alternative educational and vocational program offered to individuals age 18 and above who dropped out of school.

The **Educational Talent Search Program** – a program that seeks to meet the learning needs of eligible students from the sixth through the twelfth grade so that they will succeed in achieving a high school diploma and continue on to a postsecondary program.

OMIP Training Program established within the College of short-term training program for government employees in the area of infrastructure government and utility employees, training programs to up-grade employee competencies.

The Palau Small Business Development Center – a program to support the growth and economic development of the Republic of Palau by providing high quality one-on-one confidential counseling and training as well as innovative workshops to existing and prospective small businesses.

The Palau Area Health Education Center (AHEC) - a joint program between Palau Community College (PCC), the Palau Ministry of Health, the John A. Burns School of Medicine (JABSOM) of the University of Hawaii, and the University of Auckland Faculty of Medicine and Health Sciences (FMHS). The primary mission of this US federally funded program is to improve regional health care through formal postgraduate medical training of Micronesian physicians. Its mission is to train Family Practitioners and provide a Diploma in Medical Sciences (General Practice). PCC is under contract to the University of Hawaii JABSOM to provide the academic venue for the training and administrative support; the University of Auckland FMHS provides the curriculum and credentialing, the University of Hawaii JSBSOM provides administrative support and clinical training; and the Ministry of Health contributes by providing the venue for clinical training and training support. Currently, there are 13 physicians matriculating in the Palau AHEC program (Palau 8, Yap 4, Marshall Island 1). A virtual campus has also been established in Yap State to support the four physicians from Yap.

The Upward Bound Program consists of an Academic Year Component and a Summer Component that includes such activities as follows:

Academic Year Component - October to May

- * Tutoring in Math, English, Science, and Foreign Language after school;
- * Year-Round Counseling and Advising;
- * Mentoring Program;
- * College Planning and Placement;
- * Financial Aid Counseling;
- * Test Practice for ACT, SAT, & TOEFL;
- * Career Exploration and Planning;
- * Monthly Workshops for Participants; and
- * Quarterly Workshops for Parents.

Summer Component - June to July

- * A Six-Week Summer Program of intensive college level activities;
- * Tutoring Services
- * Instructional services in English, Math, Science, and Foreign Language;
- * Guidance counseling services;
- * Computer Training;
- * Cultural Awareness Program and Activities;
- * Field Trips;
- * Recreational and Social Activities;
- * Summer Bridge Program;
- * College Campus Tour;
- * Job Training Program; and
- * College Orientation Program.

The Upward Bound Math and Science Program (UBMS) is similar to the Classic Upward Bound Program. However, UBMS is designed to strengthen the participants skills in mathematics and science fields.

SERVICES PROVIDED

All services are free of charges! They include, but not are limited to:

- * Academic Year Activities
- * Tutoring Services
- * Structured Academic Courses and Elective Classes
- * Academic Advisement and Pre-collegiate Advising
- * Academic Plan for students
- * Post Secondary Exposure and Admissions Assistance
- * Campus Visitations
- * TOEFL and ACT/SAT Review
- * Career Advisement
- * Student Workshops and Seminars
- * Report Card Conferences
- * Technical Workshops
- * Six Week Intensive Summer Program
- * Parent and Student Orientation Program
- * Recreational Activities
- * End of Summer Banquet

The Ministry of Education as one of the key workforce partner works collaboratively with the State Board to provide services to workforce customers in areas of academic skills achievement. The Ministry of Education offers:

Career Academies – program starting at K-12 for better education, better employment prospects, adult role models, and multiple poles secondary options for all students.

The Summer Work Experience Program - program for high school and college students in a supervised job related training during the summer break. This program gives students an opportunity to learn about work and to make the connection between what they learn in school and their career choices, develop strong relationship with government and private employers, and, develop strategies for work experience programs to be introduced as a part of the regular school year.

Adult and Community Education – program for individuals age 18 and above, an alternative high school equivalency program, that provides preparation and testing for the General Education Degree (GED), an alternative to a regular high school diploma.

The Chamber of Commerce as a workforce partner will work collaboratively with the WIA Office, the Ministry of Education, and the Palau Community College to place workforce trainees in occupations that are currently being held by foreign workers after the trainees have achieved quantifiable occupational and educational skills required by the positions.

Migration of employable population, born either in Palau or outside of Palau, is becoming an issue for the workforce investment system. Statistics taken from the Palau 2000 Census shows that a total of all persons migrating are 13,303. Of this number, 8513 were born in Palau while 4,790 were born outside of Palau. The number one reason for the migration is employment at 3,638 with a small number at 112 migrating students attending school/college. Those who were born outside of Palau and never returned home is 3,542. These statistics shows that for Palau as a small nation with very limited to almost non-existent industries, citizens should look seriously toward obtaining skills and education to compete for jobs being offered to non-citizen/foreign workers.

Figure 3.1 Palau-born Population by Age Group in Palau, CNMI & Guam: 1997-2000

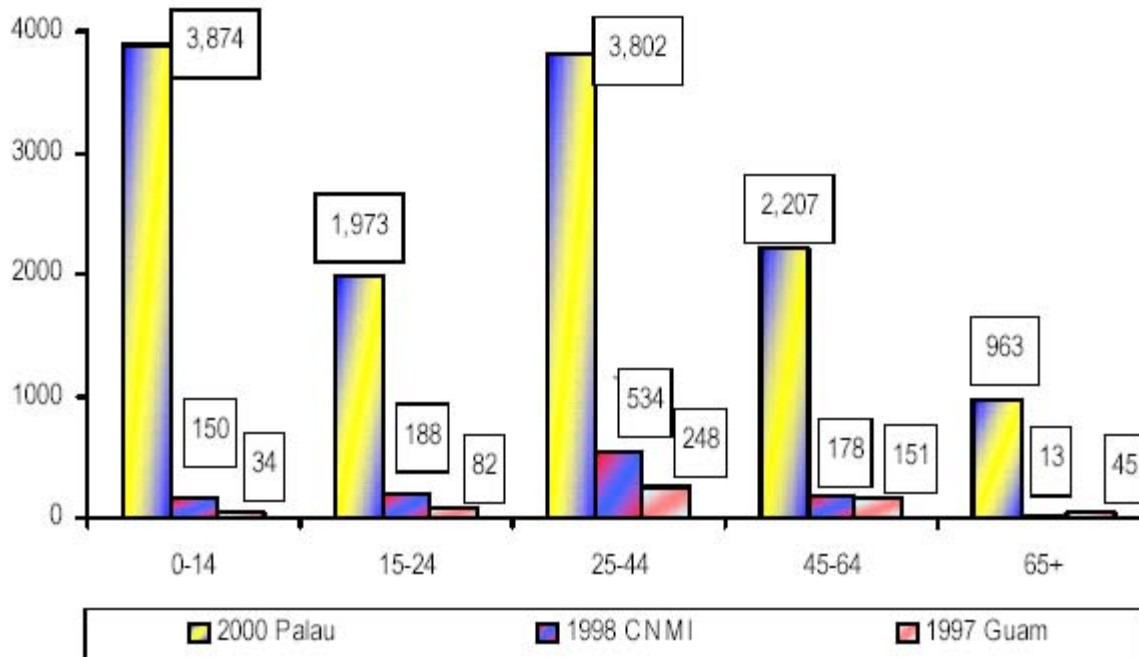
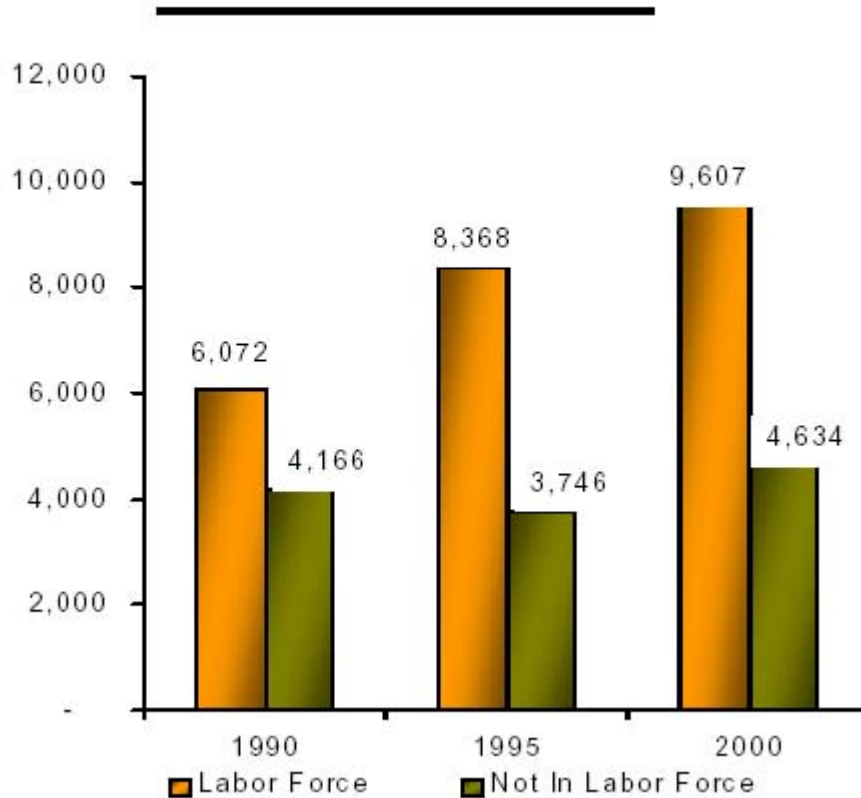


Table 3.7 Labor Force Participation of Palau-born Population in Palau, Guam and CNMI: 1990/2000 & 1997/1998

Labor Force Participation	1990 Censuses of Palau, Guam & CNMI				2000 Palau Census	1997 Guam Survey of Micronesians	1998 CNMI Survey of Micronesians
	Total	Palau	Guam	CNMI	Palau	Guam	CNMI
Total, 16+ yrs	10,146	7,874	1,118	1,154	8,680	521	900
In labor force	5,624	4,161	648	815	4,583	279	621
Percent	55.4	52.8	58.0	70.6	52.8	53.6	69.0
Males, 16+ yrs	5,047	4,045	468	534	4,398	238	441
In labor force	3,249	2,503	339	407	2,616	163	340
Percent	64.4	61.9	72.4	76.2	59.5	68.5	77.1
Females, 16+ yrs	5,099	3,829	650	620	4,282	283	459
In labor force	2,375	1,658	309	408	1,967	116	281
Percent	46.6	43.3	47.5	65.8	45.9	41.0	61.2

Sources: 1990 Censuses of Palau, Guam & CNMI; 2000 Palau Census, table 81; 1997 Guam and 1998 CNMI Surveys of Micronesians

Figure 5.2 Labor Force Participation: 1990-2000



The President and the State Workforce Investment Board, therefore, continue to put great emphasis on the need to build and develop a strong customer focused workforce system an important priority. Meeting the workforce needs of business and industry and improving Republic's business climate are also the main goals of the State Board for attracting, growing, and retaining business. To realize this, there is a great need for a transitional workforce that is continuously prepared with the skills and education necessary to support new and advanced occupations and careers. Through established partnership of the State Board with the Ministry of Education, the Palau Community College, and the Chamber of Commerce, the workforce and education system will collaborate and serve the customers in a demand-driven system with quality training and educational opportunities toward an improved economy.

V. OVERARCHING STATE STRATEGIES

As a single workforce investment area, Palau will not do a distribution of funds to local areas. Eighty five percent of available adult and youth dollars will continue to be allotted to the State's applicable and required workforce activities. Not more than five percent of the funds allocated for adult and youth programs will be used for applicable administrative use. Ten percent of the adult and youth funds will be used for applicable statewide activities.

Sixty percent of dislocated dollars, at a minimum, will be allocated to the State's applicable and required workforce activities. Not more than five percent will be used for applicable administrative activities, and not more than ten percent will be used for statewide activities. Not more than twenty-five percent of the dislocated worker money will be allocated to statewide rapid response activities. In the absence of rapid response activities, the funds set aside for such activities will be used for workforce program activities at the end of each fiscal or program year. Palau will continue to transfer not more than thirty percent funds from dislocated worker program dollars to adult program dollars.

Palau will continue to seek other source of funds to supplement the year-round workforce investment activities for adults and youths. The workforce partner agencies will, of course, continue to collaborate and provide services to customers, based on their identified needs and eligibility to each source of funding, as deemed just and appropriate.

The Management Action Plan was developed by the current President and will continue in his second term to serve as the new Administration's strategic roadmap for the reform of the Executive Branch of the government. The MAP incorporated many of the recommendations made in both the PNMDP and the EDP. Like these two plans, it sets forth short-term and long-term recommendations based upon economic and social factors, which are to be implemented by various ministries, departments, agencies and entities of the Palau National Government. The MAP was adopted by the President through Presidential Directive No. 01-007 in February of 2001. While more focused on internal governmental reform, the strategies and principles of the MAP are very relevant in the formulation of a future vision of infrastructure development. Its primary goals and objectives include:

- The improvement of the quality of life of the Palauan people;
- An emphasis on quality services with an aim of reducing the costs of such services;
- Ensuring the accountability of the government;
- Developing viable governmental structures;
- Fostering a strong sense of community;
- Cost containment;
- Government right-sizing; and
- Incorporating the PNMDP into the planning process.

In line with the national strategic direction discussed in the development of this Plan, the reason for low participation of the private sector of the local workforce activities have been considered to some aspects of the labor demand. Expansion is the first component to consider. Under ideal conditions, as the population grows, industry will grow and there will be a demand for skilled workers to meet

the needs of the business industry for additional goods and services. Although, it may not hold true for specific occupations within the major occupational group shown in the 2000 Palau Census, total job needs correspond closely to share of total employment. Additionally, replacement needs tend to exceed expansion needs for most occupations.

The second component is replacement. As employees retire, or leave a particular occupation, replacements are needed. Current high wage/high growth jobs occur in health and education fields such as teachers, nurses, medical laboratory technicians, radiology technicians, environmental health specialists, and other allied areas within the medical field that require advanced education and extensive training. On the other hand, the number of job vacancies in cash accounting clerks, restaurant service personnel, retail salespersons, and related occupations require a minimum of education, good communication and interpersonal skills.

Information obtained from 2000 Palau Census shows that services consist of workers in business services, repair services, private households, other personal services, entertainment and recreation services, hospitals, health services, elementary and secondary schools, college, social services, legal engineering and other professional services, is leading in the industry and class workers in Palau.

In order to prepare the Republic's emerging workforce, the State Workforce Investment Board will concentrate on providing workforce activities in job readiness and work maturity skills, basic academic skills, the SCANS skills, and technical and occupational skills.

SCANS WORKPLACE KNOW-HOW WORKPLACE COMPETENCIES

Effective workers can productively use:

Resources—They know how to allocate time, money, materials, space, and staff.

Interpersonal skills—They can work on teams, teach others, and serve customers, lead, negotiate and work well grounds. with people from culturally diverse back

Information—They can acquire and evaluate data, organize and maintain files, interpret and communicate, and use computers to process information.

Systems—They understand social, organizational, and technological systems; they can monitor and correct performance and they can design or improve systems.

Technology—They can select equipment and tools, apply technology to specific tasks, and maintain and troubleshoot equipment.

SCANS WORKPLACE KNOW-HOW FOUNDATION SKILLS

Competent workers in the high-performance workplace need:

Basic Skills—Reading, writing, arithmetic and mathematics, speaking and listening.

Thinking Skills—the ability to learn, to reason, to think creatively, to make decisions, and to solve problems.

Personal Qualities—individual responsibility, self-esteem and self-management, sociability and integrity.

The labor market information from the 2000 Palau Census shows an increased demand for workers who have completed education beyond high school. The completion of a high school education is a primary goal for in-school youths. Reconnecting out-of-school youth to educational programs that lead to completion of high school diploma or equivalent is one of the objectives of the State Board for those youth 18 years and below who dropped out of school, including older youths who did not complete their high school education.

The State Board, in joined and collaborative efforts with its workforce partners must meet the needs of the businesses, the community, and the workers. Encouraging youths, as well as adults, to seek technical skills training in specific high growth areas will greatly enhance opportunities for gain and employment at wages sufficient to provide financial support of themselves and their family. Such technical skills training may be provided in a work setting or through combined education and employment training. Moreover, services and assistance shall be made available to incumbent workers and dislocated workers to obtain the skills required to transition into new jobs that offer good wages and potential career advancement. This objective will require skills upgrading or retraining or formal educational programs.

Human skills will always remain a critical element of the workforce system. Retraining individuals who already have significant experience in customer contact occupations should help satisfy some of the basic service industry needs.

The Republic of Palau's economic base is comprised of six industries:

1. Managerial and Professional Specialty
2. Technical, Sales, and Administrative Support
3. Service
4. Farming, Forestry, and Fishing
5. Precision, Production, Craft and Repair
6. Operators, Fabricators, and Laborers

Each job has an intrinsic value in the State's network. There is an obvious need for a connection between workforce and education, as well as sectors with potential for future rapid growth. These growth sectors can be unique to the geographic region, based upon the composition of local businesses, the nature and talents of the local workforce, and the synergy between business, education, and workforce preparation.

VI. MAJOR STATE POLICIES AND REQUIREMENTS

Taking into account the Republic's economic plans, a medium-term development strategy framework has been established. This development strategy framework is designed:

To develop and strengthen the private sector while protecting the environment and reducing the extent and involvement of the government in domestic economic activity.

This strategy framework is composed of 'Economic Policy' and 'Fiscal Policy' framework guidelines.

A. Economic Policy.

The Economic Policy consists of four primary priorities:

1. The development of economic institutions by significantly improving the regulatory environment through the passage of effective and transparent laws governing key aspects of Palau's economy including banking, foreign investment, tax and labor;
2. The development of Palau's infrastructure base within a clear planning framework, to include infrastructure for water, wastewater, solid waste management, energy, communications and transportation;
3. The development of sectors of the economy that have the potential to support sustainable economic growth, including tourism, fisheries, aquaculture, agriculture, trade (by way of transshipment opportunities) and finance (establishment of Palau as a regional financial center); and
4. The containment of the cost of government through consistent balanced budgets.

B. Fiscal Policy.

The Fiscal Policy focuses on the relationship of expenditures and revenues.

1. Expenditures. Growth of expenditures should not exceed the growth of revenues. This is accomplished through:
 - (a) Streamlining government structures;
 - (b) Restructuring governmental personnel;
 - (c) Outsourcing, where possible, governmental services; and
 - (d) Improving accountability and productivity of expenditures.
2. Revenues. The fiscal policy also seeks to increase revenues at a pace that outstrips governmental expenditures. This can be accomplished through:
 - (a) Strengthening collection of government taxes and fees;
 - (b) Expanding the revenue base through comprehensive tax reform; and
 - (c) Aggressively pursuing overseas development assistance (ODA).

The successful implementation of this fiscal policy will go a long way towards ensuring the government's ability to successfully fund the infrastructure necessary for Palau's future economic growth.

The State Board and the WIA Office have developed policies that is in line with the two major policies and complying with regulatory requirements in OMB Circulars A-87 and A-122 and 29 CFR Parts 95 and 97.

The President and his State Board are pursuing two strategies to promote and develop strategic partnerships. The first is to implement the priorities for Palau's workforce system described in Section II of this Plan. The business-led State Board will provide the necessary leadership, and convene the necessary partnerships, to guide the system towards the workforce and education vision. Secondly, the President has mandated that Palau government improve relations among departments and agencies, as well as with the private sector, to enhance public services. The President is actively working with his cabinet and all governmental agencies to address economic development and workforce challenges across the public system. Moreover, the administration has ensured that key stakeholders from intergovernmental departments and agencies are represented on the State Board.

In September of 2002, the President, recognizing that sustainable economic development must be private sector led, and further recognizing that strong private sector led growth rests on Palau's fragile government, developed Cost Reduction Plan which established general operations policies and identified initiatives for a comprehensive cost-cutting plan to reduce the National Government's general operations expenditures.

This plan was developed with the intent of strengthening the private sector while protecting the environment and reducing the extent and involvement of the government in domestic economic activity. One of the four items under the economic policy is to develop sectors of the economy that have the potential to support sustainable economic growth, where Palau has a comparative advantage and where there is income potential; and, in view of conservation measures and opportunities, for private sector led investments in such areas as tourism (to expand domestic participation), fisheries (to realize greater returns), aqua-culture (domestic and export markets), agriculture (to expand production to meet domestic consumption), financial, and trade (transshipment point).

As a single state service delivery area, the State Board created Youth Council from members of the State Board representing agencies across the island nation from the Ministry of Education, the Palau Community College, the WIA Office, the Juvenile Justice Program, and the Division of National Youth Affairs. This encompassing membership of the varied community agencies allows flexibility of the Youth Council to meet periodically to address all youth issues and to better identify and serve the most-in-need youths having significant barriers to employment and to connect them successfully to education and training opportunities that will eventually result in successful employment and better lives. The Ministry of Education administers and operates the General Education Program that gives opportunities to youths age 18 and above who are high school dropouts to continue their education and obtain alternative high school certificates. The Palau Community College receives funding as part of the land grant for a program called Talent Search Program and the Adult High School Program. The WIA Office administers and implements WIA Title I-B Grants of Adults, Dislocated Workers, and Youth Funding, and the Division of National Youth Affairs administers the Palau Youth Empowerment Grant from the South Pacific Commission whose intent is to reconnect potential dropouts and dropout youths and young adults back to school or to alternative education opportunities.

The President and his State Board has established workforce policies that are in direct compliance with applicable Federal and State laws and regulations. There is only one mandatory Federal partner program operating in Palau, and it is the Adult Literacy Program administered by the Ministry of Education and they follow required Federal and State regulations. All other partners as members of the State Board have agreed and adopted the State workforce investment policies so established. The President's Cost Reduction Policy is an important policy that sets directives and flexibility for the entire Republic's workforce and education's system to have the ability to simplify regulations, particularly those that unnecessarily impede efforts to improve Palau's business climate and economy.

During the past five years, Palau has had only three major company closeouts. With this history and limited industry in mind, Palau will be asking for a waiver of transferring of funds between adult and dislocated workers programs funds to be more than thirty percent to allow flexibility to provide more services to adults. During the planning process for the Two-Year Plan, the State Board conducted three separate meetings with partners and stakeholders to receive public input on the plan and the planning process, including suggestions for additional waivers that might be requested through the planning process.

VII. INTEGRATION OF ONE-STOP SERVICE DELIVERY

Although Palau does not have a One-Stop Service Center co-located in one building, the State Board through collaborative efforts with the partners will continue to provide customers access to a full range of services pertaining to employment, training, and education, employer assistance, and guidance for obtaining other assistance. The WIA Office uses varied strategies in providing the appropriate services to meet the needs of the workforce customers:

- **Core Services** are available and include, but are not limited to, labor market information, initial assessment of skill levels, and job search and placement assistance.
- **Intensive Services** are available to eligible unemployed individuals who have completed at least one core service, but have not been able to obtain employment, or employed individuals needing additional services to obtain or keep employment that will lead to personal self-sufficiency.
- **Training Services** are available to eligible individuals who have met the requirements for intensive services and have not been able to obtain or keep employment.

Other services provided by the WIA Office are:

- Outreach, intake, and orientation
- Initial assessments of skills, aptitudes, abilities and need for support services
- Program eligibility determination
- Information on employment statistics and job vacancy listings
- Resource room usage
- Access to the Internet
- Employment Plan/ISS development
- Career counseling
- Job Development and job placement
- Work adjustment counseling and guidance
- Short-term pre-vocational services
- Post-employment counseling and guidance follow-up services
- Occupational skills training
- Workplace training and cooperative education programs
- Private sector training programs
- Skills upgrade and retraining

VIII. ADMINISTRATION AND OVERSIGHT OF THE WORKFORCE SYSTEM, INCLUDING SERVICE PROVIDERS

A. Provider Selection Policies

The State Board through the WIA Office has established policies that set forth procedures for the selection of potential service providers of workforce employment and training programs. As a single state workforce area with limited industries there will be no competition of grants or contracts for activities under WIA Title I programs. The workforce investment policy for selection of service providers sets the following criteria.

The service provider submits an application to the WIA Office that contains information pertaining to:

- a. Effectiveness and ability of the agency to deliver comparable services required under WIA
- b. Specifies equitable budget for the program
- c. Past performance of delivery of quality services and effective training

- d. Fiscal accountability with regards to financial transactions, records keeping and maintenance
- e. Proposed training and services is not a duplication of already existing facilities or services
- f. Provides vocational and/or educational opportunities

- g. Assurance of delivery services to ensure that participants attain competencies set by the State Board
- h. Assurance that youth service provider shall adhere to set youth training policy
- i. Guarantee of placement in such occupations for OJT and Customized training participants
- j. Ability to coordinate activities with State Board WIA partners

For a provider of training services to be subsequently eligible to receive funds for adults and dislocated workers as well as youths under WIA Title I, the provider shall submit:

- a. Program information, including the program completion rate for all individuals participating in the applicable program conducted
- b. Percentage of all individuals participating in the applicable program who obtain unsubsidized employment, which may also include information specifying the percentage of the individuals who obtain unsubsidized employment in an occupation related to the program conducted
- c. Wages at placement in employment of all individuals participating in the applicable program

The information required to be provided include the history of training information for the previous participants who received assistance under adult and dislocated workers such as:

- a. Percentage of completers placed in unsubsidized employment
- b. Retention rates in unsubsidized employment, 13 weeks after the day of employment
- c. Wages of participants, after first day of employment
- d. Rates of licensure or certification, if applicable, for those who attained academic degrees, or other attainment of measurable skills, and
- e. Information on program costs such as tuition or fees

The policy sets forth determination of ineligibility of provider, sanction of two years, and non-compliance enforcement for violators of WIA requirements to be cause for termination and repayment of WIA dollars from the provider or participant.

The State Board and WIA Office has developed policy for identifying youth providers that incorporate effective youth development principles and practices that are aligned with the following WIA performance measures:

Youth Program Elements

- Tutoring, Study Skills, Dropout Prevention
- Alternative Education
- Occupational Skills Training
- Work Experience
- Summer Employment
- Adult Mentoring
- Guidance and Counseling
- Supportive Services
- Leadership Development
- Follow-Up

The criteria include those that:

- develop relationship between youth and caring adults
- involve family members
- build youth responsibility
- develop youth citizenship and leadership skills
- place high expectations on youth and staff

- provide appropriate services based on a youth's age and needs
- demonstrate prior successes in providing employment and training services
- prepare youth for success in the workforce
- improve high support of youth
- demonstrate the connection between work and learning
- provide comprehensive guidance, and, where applicable, counseling

Beyond the current criteria that State Board's Executive Committee and the Youth Council use in identifying effective youth providers and activities, the State Board have adopted the U. S. Department of Labor's new strategic vision that prioritize services to:

1. Out-of-school youth (and those most at risk of dropping out)
2. WIA-funded youth programs must provide youth with quality secondary and postsecondary education and prepare them for entry into positions in high-growth industries and other employment opportunities.

B. Capacity Building

The State Board comprised of the President, the Legislature representatives, and all major community stakeholders will help the Executive Committee and the Youth Council in identifying areas needing improvement through fiscal and compliance. When improvement areas are identified through periodic monitoring, by State Board members and WIA staff, they are presented to the entire State Board for review and plans for corrective actions. The WIA staff will assist the service providers in the development of areas needing improvement to meet the requirements set forth by the State Board in compliance with WIA rules and regulations.

C. Regional Planning

The State Board recognizing the limited resources from WIA dollars and other source of funding to supplement WIA program in Palau will look toward Guam as the nearest Pacific entity of more advanced technological capabilities and expertise for provision of services to improve program and administrative functions of the workforce investment system of Palau. All other technical improvements need would have to be made through daily contacts with the U. S. Department of Labor, Employment and Training Administration, Region 6 Pacific Team which include PREL Office in Honolulu, Hawaii.

D. One-Stop Policies

As mentioned throughout this Plan, Palau does not have a One Stop Service Center but has adopted the One-Stop Service concept of extending workforce and education services to its customers. The President of Palau as the chief-elected-official is a member of the State Workforce Investment Board (The State Board) and that include four representatives from the National Congress, two senators and two delegates, and a number of business community stakeholders. In consideration of the population of Palau of less than 20,000, the community key players and workforce partners includes the Chamber of Commerce, the Belau Education and Employers Association, the Ministry of Education, and the Palau Community College.

Formal agreements have been established among the partners and methods of providing collaborative services are spelled out in the agreements. Moreover, as members of the State Board, these key partners and community stakeholders have been using developed workforce policies for the past five years, which same policies have been revisited during the development of this two year plan, and required technical amendments and revisions have been made to comply with Federal and applicable State laws and regulations. The development of the formal agreements were discussed and agreed upon before actual writing of the agreements among all workforce key stakeholders.

E. Oversight/Monitoring Process

Again, as a single state service delivery area, the State Board has extended its committees to assume the role of performing oversight to all WIA Title I programs. Oversight of the administrative entity of WIA Title I funds is performed by the Executive Committee of the State Board. The State Board members and WIA staff conducts periodic oversight and monitoring of all WIA service providers on a monthly basis. Separate on-site interviews of trainees and supervisors are conducted during these monitoring visits as a way to ensure that the employer/service provider is following training described in the project applications and the participants are receiving appropriate training in a safe and healthy environment. If there is, an area identified that needs improvement, it is noted and service provider is informed of the required corrective actions.

F. Grievance Procedures. (REFER TO ATTACHMENT “A”)

G. Additional State Policies

The State Board have revisited and made appropriate revisions to existing state workforce investment policies pertaining to the delivery of effective workforce investment activities and services. The following State Workforce Investment Policies sets forth procedures for:

- Policy No. 7-007-2000 On-the-job training (OJT) and customized training (CT) WIA Sections 101 (8), 101 (31), and 20 CFR §§663.700-730
- Policy No. 7-008-2000 Eligibility for Youth Services (WIA Section 101(13) and 20 CFR §664.200)
- Policy No. 7-009-2000 Youth Program Design, Elements, and Parameters (WIA Section 129 and 20 CFR §664.405)
- Policy No. 7-014-2000 Identification and Eligibility of Service Providers for Adult and Dislocated Workers (WIA Section 122 and 20 CFR §§ 663.500-565)
- Policy No. 7-021-2000 Services to Priority and Special Populations (WIA Section 134(d)(2)(E) and (d)(4)(E) and 20 CFR §663.600)

As mentioned before in this Plan, Palau as a single state workforce area has established workforce policy (Policy No. 7-020-2000) that allows the flexibility of transferring funds between the Dislocated Worker and Adult Program Funds not to exceed thirty percent.

IX. SERVICE DELIVERY

A. Service Delivery Approaches and Strategies

As stated in Section VII of this Plan, the WIA Office as the Administrative Entity of WIA Title I Funds, provide workforce employment and training services in compliance with Federal rules and regulations under the Workforce Investment Act of 1998 and 20 CFR Part 652, et al. Republic of Palau Workforce Investment Policy Nos. 7-004-2000 and 7-009-2000 set forth the process by which an individual customer receives services. Formal agreements between workforce partners spell out the array of services available to all workforce customers.

Palau does not have Employment Service and the WIA Office opens its doors and provides services to all workforce customers of two categories: *job seekers* and *employers*.

Adult customers should meet the requirements set forth in WIA Section 1 which states that an “adult” means an individual who is not less than 22 and not more than age 72.

Dislocated Worker customers should meet the requirements set forth in WIA Section (9) and *Displaced Homemaker* set forth in WIA Section (10).

When a job seeker enters the WIA Office, this customer is provided with:

1. Information of available workforce services and programs
2. Listing of vacancies obtained from the Division of Labor and the Bureau of Public Service System are provided to a customer wishing to find a job right away
3. Listing of program applications submitted by workforce service providers
4. Intake process starts when a customer wishes to receive formal WIA services:
 - a. Registration starts when a customer has brought required documents to the WIA Office
 - b. A completed intake form is then forwarded to the WIA Executive Director for eligibility verification and certification
5. A certified eligible WIA customer then starts process of an ISS or an Employment Plan
6. A customer may be referred to any of the workforce partner for other needed services that are not available through the WIA Office

Assessment tools used to determine an individual's skill is a generally accepted tool that provides definitive results.

Letters of invitation to become WIA service providers are sent out to employers with WIA brochure that contains information of available WIA programs. Again, as a small island nation, the list of potential service providers is inclusive of the National Government, the State (county) governments, non-profit/community-based organizations, and the private business community, that consist of small businesses/entrepreneurships. The State Board will award programs to potential service providers following set criteria in workforce policy that complies with WIA requirements.

B. Workforce Information

Palau is a small island nation and a single service delivery area with population of less than 20,000 and limited industries. As an effort of universal access, the State Board is comprised of members representing all programs available on the Island serving specific segments of the population and who are directly involved in the development of workforce policies of the statewide workforce system. Statistical information of the labor market is readily available through the 2000 Palau Census and other pertinent information at www.palau.gov.net/stat. Up-dated data from the Division of Labor, the Chamber of Commerce, and the Bureau of Public Service System, are obtained on a monthly basis by the WIA Office and readily made available to workforce customers.

C. Adults and Dislocated Workers

Eligible adults and dislocated workers customers must receive at least one "core" service prior to receiving any "intensive" service, and they must receive at least one "intensive" service prior to receiving any "training" service.

1. Core Services

WIA Section 134(d)(2) and 20 CFR, Parts 662.240 and 663.150

There are two types of "core" services. There are those core services available to all customers that do not require staff assistance (consistent with the "universal access" principle of WIA), and there are core services that require staff assistance or significant staff assistance. This is the same as saying there are core services that don't require registration, and then there are core services that do require an individual to be registered and, thus, part of the WIA database system and included in performance calculations at some point.

Core services include the following:

- Determination of eligibility for WIA services
- Initial assessment of skill levels, aptitudes, abilities, supportive service needs
- Provision of information regarding job vacancies and training providers
- Follow-up services, including counseling regarding the workplace
- Other similar services

Participants must receive *at least one* core service before progressing to the next level of service.

2. Intensive Services

WIA Section 134(d)(3) and 20 CFR, Part 663.200

Intensive services are provided to those participants who are unemployed and unable to find employment through core services and are determined to be in need of more intensive services, OR those participants who are employed but determined to be in need of intensive services to obtain or retain employment that allows for self-sufficiency.

Intensive services include the following:

- Comprehensive assessment of skill levels and service needs
- Development of an individual employment plan
- Individual counseling and career planning or group counseling
- Short-term prevocational services including those related to the development of learning skills, communication, punctuality, etc.

Participants must receive *at least one* intensive service before progressing to the next level of service.

3. Training Services

WIA Section 134(d)(4) and 20 CFR, Part 663.300

In general, training services may be provided to participants unable to obtain or retain employment through intensive services, who are determined to be in need of training services and to have the skills and qualifications to participate in training that is linked either to local employment opportunities or employment opportunities where the individual is willing to relocate.

Training services include the following:

- Occupational skills training, including training for nontraditional employment
- Cooperative education programs, combining training and related instruction
- Work Experience
- Skill upgrading and retraining
- Entrepreneurial training
- On-The-Job training or Customized training for an employer committed to employing those successfully completing training

3. Services to Special Population

WIA Section 134(d)(4)(E) and 20 CFR, Part 663.300

Because funds for employment and training are considered limited on Palau, priority for intensive and training services will be given to disabled individuals, dislocated workers, displaced homemakers, women, training opportunities for non-traditional employment, low income individuals, and individuals with multiple barriers consistent with the WIA laws and regulations.

D. 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 WIA Office to provide services that include but not limited to:

- Assistance and training to individuals, whenever applicable, in case of natural disaster, and
- In case of mass layoff, do on-site contact with employers for:
 - Layoff plans and schedule of employer
 - Economic development plans to avert layoff
 - Identify affected dislocated workers and needs

In the absence of rapid response activities needs, the money will automatically go to dislocated worker programs and services funds, at the end of each program or fiscal year funds.

E. Youths

As have been discussed in this Plan, Palau has adopted and added on to the criteria currently being used by the State Board's Executive Committee and the Youth Council, the U. S. Department of Labor's new strategic vision that prioritize services to youth:

1. Out-of-school youth (and those most at risk of dropping out)
2. WIA-funded youth programs must provide youth with quality secondary and postsecondary education and prepare them for entry into positions in high-growth industries and other employment opportunities

Youth customers should meet the requirements at WIA Sections (13) and (33) and 20 CFR §664.200

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

- 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;
- 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;
- 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 determine the criteria for serving youth following required WIA youth eligibility criteria, the new U. S. DOL youth criteria, and the State Board's sixth 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 of the minds, there has been eliminated duplication of similar assessments and provision of required documents.

State workforce policies that were established in 2000, have also been revisited and amended to incorporate all required youth components. The general flow of WIA youth customers will start at Intake and after all required documents have been submitted to the Intake Staff, and certified eligible by the Executive Director.

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, its Committee, and the Youth Council have designed its youth program to follow the ten youth program components required by WIA and:

1. Connecting WIA with Youth Development (all youth need help 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	-	Leadership development
EMPLOYABILITY	-	Occupational skills training Work experience Summer employment

2. Aligning Program Elements and Performance Measures following the required four youth measures for the Pacific Jurisdictions:

SERVICE PROVIDERS design programs that incorporate the principles and practices of youth development that are most likely to have in impact on WIA performance measures

WIA OFFICE map the big picture of WIA youth program to make sure that youths are receiving high-quality services that will positively affect performance measures

EXECUTIVE COMMITTEE and YOUTH COUNCIL establish policy for selection of youth service provider that include an evaluation of past performances of such a provider most like to have a positive impact on performance measures

The Ministry of Education’s School to Work System has strengthened the relationship between adults as parents or mentors and students as youths:

The Belau Family School and Community Association is a non-profit parent support group established during the development of the school to work system and continues to work very closely with all Parent and Teachers Association (PTA) of all school of the Republic. The members of this organization consist of PTA chairmen/persons and parents. They hold conferences every year to all parents, teachers, students, and community leaders to discuss issues that starts at birth to adulthood that include healthy development of a child from womb, begin learning at home, nurture learning at school, and continue life-long learning in the workforce and economic systems.

The Belau Employers and Education Association is also a non-profit organization established during the implementation stage of the school to work system. This organization consist of small businesses owners, human resources development directors of the private businesses, and Ministry of Education’s Work-Based Department’s personnel, and have worked collaboratively with the WIA Office to provide training services to the youths during the summer and year-round programs. This organization has also helped with connecting youths to job shadowing, mentoring, and work experience with effective youth program providers.

The Adult Literacy Program (WIA Title II Program) within the Ministry of Education provides pre-GED and GED programs to dropout youths age 18 and above. Since 2000, they have partnered with the workforce and economic partners to successfully enrolled, educated, and graduated youths and adults who have either continued their post-secondary education at the Palau Community College and off-island colleges/universities, or started their careers in Palau and being successfully employed.

The **Palau Community College** offers diversified programs within its campus as delineated in Section IV of this Plan. As partner agency of the workforce system, the college is also housing the WIA Office within its campus. Through strong collaboration, the two agencies have been able to successfully graduate approximately 60 individuals from the Adult High School, since its inception in 2000; successful training and placement of approximately 160 College intern participants to unsubsidized employment, since 1998.

The **Palau Chamber of Commerce** as a workforce partner organization with its President serving as Vice Chairman of the State Workforce Investment Board will provide a strong link with the private businesses to identify the needs and expectations of the employers. This partner organization is committed to allow training of locals for positions that are currently being held by foreign workers, including opportunities for non-traditional employment for women and other career opportunities for youths and young adults.

Palau does not have faith-based organizations but rather a small number of community-based non-profit organizations and they are on the WIA list of service providers of workforce activities. Again, as a small island nation with limited industries and businesses, Palau will not be using Individual Training Accounts that will limit the customers that include and encompass all employers and job seekers. Rather, contracts will be awarded based on established policy that sets forth criteria for selecting service providers.

The **Division of National Youth Affairs**, currently a member of the State Board, handles the process of Job Corp applications to the Hawaii Job Corp centers in Hilo and Honolulu. As member of the State Board and the Youth Council, the representing member has worked collaboratively with all workforce partners to place youths in the Job Corp program.

The State Board, its Executive Committee and Youth Council, and its workforce partners, in joined efforts, will work collaboratively to ensure that services to eligible youths have strong link between academic and educational opportunities. This workforce approach will prepare youths with a broader range of comprehensive, aligned, and coordinated services with an emphasis on longer-term service. Summer youth opportunities will no longer provide a short-term, stand-alone intervention, rather, this program component is a part of the year-round service strategy to ensure that there is a strong connection between academic and occupational learning. Service providers will follow the required youth program elements and provide services either directly with WIA resources or through referral to partner agencies.

As part of the planning process, the Youth Council is required to determine where services and activities are in existence within the community so that WIA limited resources may be better targeted to those most in need individuals.

F. Business Services

Palau does not receive funds under the Wagner-Peyser Act and does not have a job bank as they do on the United States Mainland. As a small and single state delivery area, labor market information are collected through periodic surveys and statistical information obtained from the Division of Labor, the Job Placement Office, the Bureau of Public Service System, and the Bureau of Planning and Statistics. Employer needs are also collected through periodic surveys. The Palau Community College's Continuing Education uses the employer needs' surveys to conduct short-term training in the fields and occupations required by the employers.

The WIA Office also utilizes the customer satisfaction survey for both job seekers and employers. This process is done by disseminating evaluation forms to all employers and participants to measure their performances. The required performance measures in the Pacific WIASRD are taken into account when evaluating both employers and participants and reported on the automated participant reporting database. This approach takes into account the analysis of the service delivery area and problems identified by customers and employers as feedback in achieving the goal of continuous improvement and providing demand-driven workforce services.

G. Innovative Service Delivery Strategies

Although Palau does not have a One-Stop Service Center, the adopted concept allows the workforce partners to share limited resources and provide services to the customers. In addition, to WIA funds from the U. S. Department of Labor, supplemental WIA funds are appropriated by the National Congress, and other youth grants from the Division of National Youth Affairs are provided to the WIA Office, through grant application, to supplement youth programs.

All youth program coordinators meet frequently to discuss youth issues and to share innovative program strategies that include ways to serve all youth populations. As an example, every May of each year, the WIA Office, the Work-Based Office of the Ministry of Education, the Health and Science Department of the Ministry of Education that host Student Partnership Conference held every summer, the Upward Bounds Program, and the Upward Bounds Math and Science Program, meet to share information on all youth applicants. At this meeting of the minds, strategies of providing demand-driven services to youths are addressed and plans to commence programs are then set at this meeting. This collaborative approach allows youth opportunities to obtain academic and occupational skills not only during the summer but also during the year-round school year.

H. Strategies for Faith-Based and Community Organizations

As mentioned in this Plan, Palau does not have faith-based community organizations. Through collaborative partnership among the community representatives on the State Board, the non-profit organizations in Palau are also represented on the Board and have been active workforce partners as service providers of workforce training for the past several years, even during the JTPA days.

X. STATE ADMINISTRATION

A. Technology and Management Information Systems

Palau as part of the Pacific jurisdictions have been using the Pacific WIASRD that was developed first by PREL and just recently been developed by Mr. Jaime Rodriguez of Guam Department of Labor, that sets the required 6 performance measures for adults and dislocated workers and 4 performance measures for youths. Palau was able to meet recently with Mr. Rodriguez to polish up the database that not only serves as the performance reporting tool but also as a management information tool for the case manager and the administrator of the WIA Office.

B. Statewide Reserve Funds

The State Board will use statewide reserve funds of not more than ten percent (10%) of youth, adult, and dislocated worker funds for statewide activities that will include but not limited to:

- a. Disseminate the State list of eligible providers of training services, including eligible providers of non-traditional training services, information identifying eligible providers of on the job training and customized training, with information on performance and costs

- b. Conduct ongoing evaluation studies of workforce investment activities in the State to promote, establish, implement, and utilize methods to continuously improve the activities to achieve high-level performance within, and high-level outcomes from statewide workforce investment system
- c. Provide capacity building of staff
- d. Implement innovative incumbent worker training programs that include displaced homemakers and non-traditional employment training
- e. Operate a fiscal and management accountability

C. Performance Management, Measurement and Accountability

As mentioned in this Plan, Palau is currently using a more defined and developed Pacific WIASRD (Workforce Investment Act Standardized Reporting Data) to collect data and track performance as well as analyze the information and strategies of performance measures. This system allows Palau to run its workforce activities and put collected information into the database that show definitive results and connecting with the required performance measures.

The WIA Office is required by local law to provide an annual performance report to the President of Palau, the Olbiil Era Kelulau (National Congress), and the Palau Public Auditor’s Office. This performance report requires both program evaluation and financial expenditures of all funds administered by the WIA Office. Copies of the Pacific WIASRD and WIA electronic financial reports are provided to the President’s Office, the National Congress, and the Public Auditor’s Office, and made public records accessible to interested persons or party to obtain such report.

The State Board in awarding contracts to service providers require the applying agency to conform to the criteria established and set forth in workforce policies as stated in Section VII of this Plan. If the State Board rejects an application of a service provider, there shall be provided, a written letter to the applying agency toward a second chance at applying. This option is set forth in the workforce policies allowing an employer or agency to become an eligible service provider.

The WIA Office as administrative entity of the WIA funds and activities will work with the State Board to ensure that employment, education, and training opportunities are made available to workforce customers based on their identified needs. The provision of these priority services shall be made to displaced homemakers, low-income individuals, and individuals with multiple barriers to employment.

D. Administrative Provisions

The WIA Office will ensure that during the reemployment and training process for dislocated workers all applicable laws pertaining to nondiscrimination and equal opportunity are followed in compliance with Section 188 of the Workforce Investment Act. Periodic monitoring will be performed on-site by members of the State Board and the WIA Office director and staff, and any findings found will be documented. Required corrective actions will be made and follow-up of such actions shall be performed by the appropriate staff and State Board.

The process to which non-discrimination and equal opportunity are provided to a workforce customer is during intake and development of an individual service strategy or an employment plan. A customer is given a copy of the non-discrimination and equal opportunity regulation while undergoing assessment and interview process.

XI. ASSURANCES

The Republic of Palau Single State Workforce Area, through the State Board, the Executive Committee, and the Youth Council, in operating its workforce activities required under the Workforce Investment Act of 1998, make the following Assurances:

1. The Republic assures that there shall be established, in accordance with Section 184 of the Workforce Investment Act, fiscal and fund accounting procedures (including the timely reporting of accrued expenditures) that may be necessary to ensure the proper disbursement of, and accounting for, funds allotted to Palau. (State Workforce Policy No. 07-019-2000)
2. The Republic assures that it will comply with Section 184(a)(6) of the Workforce Investment Act, which requires the Governor to, every two years, certify to the Secretary, that-
 - a. Palau has implemented the uniform administrative requirements referred to in Section 184 (a)(3) regarding compliance with uniform administrative requirements for grants and agreements. (State Workforce Policy No.07-018-2000)
 - b. Palau has at least annually monitored workforce entities, including service providers, to ensure compliance with the uniform administrative requirements as required under Section 184(a)(5) of the Workforce Investment Act; and (State Workforce Policy No. 07-018-2000)
 - c. Palau has taken appropriate action to secure compliance with Section 184(a)(3) pursuant to Section 184(a)(5) of the Workforce Investment Act. (State Workforce Policy No. 07-018-2000)
3. The Republic assures that veterans will be afforded employment and training activities authorized in Section 134 of the Workforce Investment Act, and the activities authorized in chapters 41 and 42 of Title 38 US Code, and further comply with the veterans priority established in the Jobs for Veterans Act.
4. The Republic assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing.
5. The Republic assures that it shall comply with the grant procedures prescribed by the Secretary (pursuant to the authority at 189 (c) of the Act) which are necessary to enter into grant agreements for the allocation and payment of funds under the Act, provided by the ETA Office of Grants and Contract Management and the specific terms and conditions and assurances and certifications, including, but not limited to:

●General Administrative Requirements: (State Workforce Policy Nos. 07-013;18;19&22-2000)

- 29 CFR part 97 – Uniform Administrative Requirements for State and local Governments (as amended by the Act)
- 29 CFR part 96 (as amended by OMB Circular A-133)—Single Audit Act
- OMB Circular A-87—Cost Principles (as amended by the Act)

●Assurances and Certifications:

- SF 424 B – Assurances for Non-construction Programs
- 29 CFR part 27 – Nondiscrimination and Equal Opportunity Assurance (and regulation) 29 CFR § 37.20
- 29 CFR part 93 – Certification Regarding Lobbying (and regulation)
- 29 CFR part 98 – Drug Free Workplace and Debarment and Suspension Certifications (and regulation)

●Special Clauses/Provisions:

- Other special assurances or provisions as may be required under Federal law or policy, including specific appropriations regulation, the Workforce Investment Act, or subsequent Executive or Congressional mandates.

6. The Republic assures and certifies that the development of this Plan was made in consultation and collaboration with local elected officials, the business community, the partners, and all other applicable requirements of the WIA.

7. The Republic assures that it will comply fully with the non-discrimination and equal opportunity provisions of:

- Section 188 of the Workforce Investment Act of 1998 (WIA), which prohibits discrimination against all individuals in the United States on the basis of race, color, religion, sex, national origin, age, disability, political affiliation or belief, and against beneficiaries on the basis of either citizenship/status as a lawfully admitted immigrant authorized to work in the United States or participation in any WIA Title I—financially assisted program or activity;

- Title VI of the Civil Rights Act of 1964, as amended, which prohibits discrimination on the bases of race, color, or national origin;

- Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination against qualified individuals with disabilities;

- The Age Discrimination Act of 1975, as amended, which prohibits discrimination on the basis of age; and

- Title IX of the Education Amendments of 1972, as amended, which prohibits discrimination on the basis of sex in educational programs.

The President as Grant applicant for the Republic further assures that the Republic will comply with 29 CFR part 37 and all other regulations implementing the laws listed above. This assurance also applies to the grant applicant's operation of the WIA Title I-financially assisted program or activity, and to all agreement the grant applicant makes to carry out the WIA Title I-financially assisted program or activity. The President and the State Board also understand that the United States has the right to seek judicial enforcement of this assurance.

8. The Republic further assures that it shall comply with U. S. Department of Labor requirements on fiscal and program reports and will prepare and submit reports in conformity with DOL designated formats and schedules, and that all WIA Title I funds received by Palau will be spent in accordance with WIA laws and regulations, written Department of Labor Guidance implementing these laws, and all other applicable Federal and State laws and regulations.

**ATTACHMENT A
PROGRAM ADMINISTRATION DESIGNEES AND PLAN SIGNATURES**

Name of WIA Title I Grant Recipient Agency: TOMMY E. REMENGESAU JR.
PRESIDENT, REPUBLIC OF PALAU
Address: P. O. BOX 100 KOROR, REPUBLIC OF PALAU 96940

Telephone Number: (680) 488-2403/2828
Facsimile Number: (680) 488-2424
E-mail Address: rup.president@palau.net.com

Name of State WIA Title I Administrative Agency (if different from Grant Recipient)
Workforce Investment Act Title I Office (WIA Office)

Address: P. O. Box 100
PCC Keskas Building, Koror, Palau 96940
Telephone Number: (680) 488-2513
Facsimile Number: (680) 488-5699
E-mail Address: wia@palau.net.com

Name of WIA Title I Signatory Official: Mr. Matthew Rudolph, Chairman - State Board

Address: P. O. Box 100
PCC Keskas Building, Koror, Palau 96940
Telephone Number: (680) 488-2513
Facsimile Number: (680) 488-5699
E-mail Address: wia@palau.net.com

Name of WIA Title I Liaison: Ms. Josephine Ulengchong, Executive Director - WIA Office

Address: P. O. Box 100
PCC Keskas Building, Koror, Palau 96940
Telephone Number: (680) 488-2513
Facsimile Number: (680) 488-5699
E-mail Address: wia@palau.net.com

As the President of Palau, I hereby certify that for the jurisdiction of The Republic of Palau, the agencies and officials designated above have been duly designated to represent the jurisdiction in the capacities indicated for the Workforce Investment Act, Title I. Subsequent changes in the designation of officials will be provided to the U.S. Department of Labor as such changes occur.

I further certify that we will operate our Workforce Investment Act programs in accordance with this Plan and the assurances herein.

Typed Name of President: TOMMY E. REMENGESAU JR.

Signature of President: 

Date: 5/24/06

ATTACHMENT B

Program Performance Measures for the Pacific Jurisdictions

For the Pacific Jurisdictions, outcomes are exit-based – in large part, due to the absence of UI wage records. For each of the three funding streams (adults, dislocated workers, youth) there are two types of performance measures: *employment-related outcomes* and *secondary outcomes*. The reason for the latter distinction lies in the uniqueness of the Pacific insofar as what clearly constitutes a positive outcome.

Data are captured on the Pacific WIASRD, the program report format designed specifically for the Pacific. Actual, aggregate performance is reported each quarter in absolute figures (not percentages).

The 16 common performance measures utilized for the Pacific jurisdictions are as follows:

For Adults and Dislocated Workers:

- A. Employment-Related Measures
 - 1. Entry into unsubsidized, non-subsistence employment
 - 2. Entry into subsistence employment
- B. Secondary Outcomes
 - 3. Average hourly wage at exit for those employed (non-subsistence) at exit
 - 4. Secondary school diploma attainment
 - 5. Attainment of credential or skills certificate other than a secondary school diploma or its equivalent
 - 6. Entering or returning to further education or training at exit

For Youth: (Measures don't distinguish youth by school status or younger/older status)

- A. Employment-Related Outcomes
 - 1. Entry into unsubsidized, non-subsistence employment
 - 2. Entry into subsistence employment
- B. Secondary Outcomes
 - 3. Secondary school diploma attainment
 - 4. Attainment of Credential or skills certificate other than a secondary school diploma or its equivalent

ATTACHMENT C

**REPUBLIC OF PALAU
WORKFORCE INVESTMENT POLICY NO. 007-024-2000**

EFFECTIVE DATE: July 01, 2000

TO : Members of State Workforce Investment Board Executive Committee

FROM : Ms. Josephine Ulengchong
WIA Office Executive Director

SUBJECT : **GRIEVANCE PROCEDURES, COMPLAINTS, AND STATE
APPEALS**

WIA Section 181(c) and 20 CFR Subpart F §667.600-650

In compliance with the Workforce Investment Act of 1998 and the WIA Final Rules at 20 CFR Part 652 et al., the Republic of Palau *State Workforce Investment Board (State Board)* has adopted the Grievance Procedures under the Civil Service Board of the Republic of Palau, with some changes, to meet the Federal requirements.

Employee means an employee of the Workforce Investment Act Office or a participant under WIA funded program. The WIA Executive Director may provide translation of the grievance procedure in local language to the employee as needed.

There are two steps to the Grievance Procedures being used by the Republic of Palau State Board and WIA Office.

Informal Grievance Procedures

Before an employee can utilize the formal grievance procedure, he/she must show evidence of having pursued his grievance or complaint informally. He/she must first complete the informal grievance procedure before the *State Workforce Investment Board (State Board)* can accept from his/her grievance the subject that concerns the same matters in the formal procedures.

An employee may present a grievance to his/her supervisor concerning a continuing practice or condition at anytime. He/she must present a grievance concerning a particular act or occurrence within fifteen (15) days of the date of that act or occurrence of the date he/she became aware of such an act or

occurrence. An employee may present a grievance under the formal procedure either orally or in writing to his/her supervisor.

A supervisor has an obligation to accept an employee's grievance and to act promptly and fairly on the issue presented in the grievance. Informal settlement of a grievance requires that supervisor exhibits competence, mature judgment, and full willingness to reach a satisfactory settlement.

If the employee has a valid reason of not presenting his/her grievance to the immediate supervisor, he/she must present it to the Executive Director of Workforce Investment Act Office (WIA Office) or to any member of the State Workforce Investment Board's Executive Committee.

Formal Grievance Procedure

If the employee's grievance is not settled to his/her satisfaction by the immediate supervisor, he/she should forward his/her grievance to the WIA Office and the State Board's Executive Committee for formal review. Entitlement to formal review is based on the employee's compliance with the following:

- a. He/she must submit the grievance within the prescribed time limits.
- b. The employee must explain his/her attempts to settle the grievance informally.
- c. The grievance must be in writing.
- d. The grievance must contain sufficient details to identify and clarify the basis for the grievance.
- e. The employee must specify the personal relief requested by him.

If the employee's grievance is not settled to his/her satisfaction by the WIA Office, the State Board, and the President of Palau, within 60 days of the filing of grievance or complaint, he or she should forward such grievance to the Secretary of the United States Department of Labor.

ATTACHMENT D

ANNOUNCEMENT

THE DRAFT REPUBLIC OF PALAU TWO-YEAR STRATEGIC PLAN FOR WORKFORCE INVESTMENT ACT TITLE I PROGRAM HAS BEEN COMPLETED AND REVIEWED BY THE STATE WORKFORCE INVESTMENT BOARD AND NOW AVAILABLE FOR PUBLIC REVIEW AND COMMENTS AT THE WORKFORCE INVESTMENT ACT TITLE I OFFICE (WIA OFFICE) LOCATED AT PALAU COMMUNITY COLLEGE KESKAS BUILDING.

ALL QUESTIONS AND COMMENTS MAY BE SENT DIRECTLY TO MS. JOSEPHINE ULENGCHONG AT WIA OFFICE DURING GOVERNMENT WORKING HOURS OF 7:30 A.M. TO 4:30 P.M., DAILY, MONDAYS THROUGH FRIDAYS.

COMMENTS ARE REQUIRED TO BE SUBMITTED TO THE WIA OFFICE NO LATER THAN MAY 18, 2005, BEFORE CLOSE OF BUSINESS AT 4:30 P.M.

SUBED

TIA SUBED LOITOBED ER NGII A RECHEDAL A STATE WORKFORCE INVESTMENT BOARD EL KMO NG MLA KUTKMEKLII A TWO-YEAR PLAN RA PROGRAM RA WORKFORCE INVESTMENT ACT EL KIREL ORRETEL, OMESUBEL, MA OMELSEMEL A UREOR. A OTSUSHI (COPY) ER TIAL BABIER A MLA MO SEBECHER A NGI DIL CHAD, CHELECHAD, MALCHUB ENG KOMBALII EL MELAI ER NGII EL MO OMES ER NGII.

NG DIRREK EL KMAL SUBED RA NGIDIL CHAD, CHELECHAD, MALCHUB ENG KOMBALII E LEMELUCHES A ULDSUE EL KIREL TIAL BABIER EL MODUROKL MALECHUB ENG MENGAI EL MER TIAL **OBIS RA WIA** EL DIAK EL **BOL MEOUD RA MAY 18, 2005**, ER UCHEI RA LEMECHESIMER A OBIS RA 4:30 P.M.

TIAL OBIS RA WIA A NGLAI A CHESMEREL RA BEK EL TEMEL A UREOR RA AMT RA 7:30 A.M. EL MO 4:30 P.M. RA BEK EL KOT EL MOR ONGEIM LUREOR.

MATTHEW RUDIMCH
CHAIRMAN, STATE WORKFORCE INVESTMENT BOARD

ATTACHMENT E

Memorandum Of Understanding

**And
Agreement**

between

The State Workforce Investment Board

The Ministry Of Education

The Palau Community College

The Chamber Of Commerce

The Belau Education And Employers Association

This Memorandum of Understanding and Agreement is established between the State Workforce Investment Board, herein referred to as The State Board, and the Palau Community College (PCC), the Palau Chamber of Commerce (PCOC), the Ministry of Education (MOE) and the Belau Education and Employers Association (BEEA).

I. Purpose

It is the purpose of this Agreement to establish a cooperative and mutually beneficial relationships between the parties of this Agreement to strengthen the power of education and employment toward a better economic future of Palau. This partnership among the agencies will allow sharing of resources, eliminate duplication of services, and provide an array of services to meet the needs of a customer.

II. Duration

This Agreement will commence on the 1st day of July 2005, and shall remain in full force and effect until the Agreement is cancelled by the Agencies in accordance with the terms set forth herein, and to conform to Workforce Investment Act requirements.

III. Program Description

It is agreed by the Agencies listed in this Agreement to conduct the following:

1. To jointly promote the integration of programs through linking and collaboration of statewide workforce investment activities;
2. To coordinate resources and programs for a more streamlined and efficient workforce development system;
3. To promote information-sharing and the coordination of workforce activities to improve the performance measures of the Agencies of the workforce investment system of the Republic;
4. To identify barriers to coordination;
5. To promote the development and implementation of a more unified system of measuring performance and accountability under the Workforce Investment Act; and
6. To promote the applicability of development of common data systems to track progress of workforce investment customers.

IV. General Provisions

It is understood and agreed by both parties to this Agreement that each agency should be able to fulfill its responsibilities under this Agreement in accordance with the provisions of law and regulation that govern their activities. Nothing in this Agreement is intended to negate or otherwise render ineffective any such provisions or operating procedures. If at any time an agency is unable to perform its functions under this Agreement consistent with such Agency's statutory and regulatory mandates, the affected agency shall immediately provide written notice to the WIA Office to establish a date for mutual resolution of the conflict.

V. Responsibilities of the Agencies

In consideration of the mutual aims and desires of the partner agencies to this Agreement, and in recognition of the public benefit to be derived from effective implementation of the programs involved, the Agencies agree that their respective responsibilities under this Agreement shall be as follows:

A. WIA Office shall provide:

1. Labor market information pertaining to careers and skill requirements and information on the availability and quality of education and training programs including current and projected labor market information with occupational demands and wages;
2. Career development services pertaining to job development assistance and job search training;
3. Assessment services pertaining to eligibility information on programs and services within the community using U. S. DOL eligibility determination, and referrals to other agencies and institutions for services not directly available under WIA Office.
4. Employee recruitment services pertaining to applicant screening and recruitment, applicant/employee testing, workforce development assistance, and information and access to nontraditional candidates and training;
5. Training services that include but not limited to on-the-job training, customized training, work experience, limited internship, and occupational/vocational skills training, and incumbent training.

B. Palau Community College will provide:

1. Applicant screening which includes needs assessment, recruitment, and testing, using agency required tools, and other applicable support.
2. Academic and educational services to workforce customers, as deemed appropriate, through referrals from WIA Office to include but not limited to:

Adult High School Program
Talent Search Program
Continuing Education Program
College Extension Program

3. Training programs that include but not limited to on the job training, work experience, vocational and occupational skills training available within the PCC campus.
4. Provide referral of customers to other agencies or institutions for services not directly available at PCC.

C. Ministry of Education will provide:

1. Applicable and required assessments pertaining to GED Program, the Work Based Program, and other vocational programs available within the MOE.
2. Academic enrichment and career exploration for in-school youths that may include but not limited to: tutoring, job shadowing, mentoring, leadership development, guidance and counseling, and summer work experience.
3. Alternative education opportunities for out-of-school youths and adults into Pre-GED and GED programs.
4. Training services of work experience, internship, and on the job training as opportunities arise.
5. Provide referral of customers to other agencies or institutions for services not directly available at MOE.

D. Palau Chamber of Commerce will provide:

1. Labor market information pertaining to availability of job vacancies in the private sector, skill requirements, and employer's occupational demands and wages;
2. Employment and training in high-demand/high paid occupations including non-traditional employment for women;
3. Training and eventually employment of locals in positions now being held by foreign workers.
4. Referrals of customers to workforce and education partner agencies for other needed services.

E. Belau Educators and Employers Association will provide:

1. Labor market information pertaining to availability of job opportunities in small businesses.
2. Employment and training in high-demand/high paid occupations including non-traditional employment for women;
3. Training and eventually employment of locals in positions now being held by foreign workers in small businesses or sole proprietorship enterprises.

4. Referrals of customers to workforce and education partner agencies for other needed services.

VI. Allocation of Costs

The agencies assume full responsibilities for their respective costs associated with their performance of the terms of this Agreement. In no event, except as may be provided in a supplemental agreement, shall any agency be obligated to pay or reimburse any expense incurred by another agency under this Agreement.

VII. Supplemental Agreements

Each agency that is a party to this Agreement understands and agrees that all of the terms and conditions of the Memorandum of Understanding and Agreement for the implementation of the Workforce Investment Act of 1998 are binding upon any subsequent supplemental agreement between the partner agencies. The Agencies further agree that such supplemental agreements shall be an added strength and complementary to this Agreement. Copies of such supplementary agreements shall be provided to each agency and the State Board.

VIII. Amendment or Cancellation of Agreement

The Agreement may be amended, with good cause, at any time in writing and by mutual consent of Partner Agencies and The State Board. Such cause should include but not limited to direct violation of the WIA policies and/or material and significant breach of any of the provisions of this Agreement. Each agency may cancel its participation in the Agreement by providing written notice to the other agencies sixty (60) days prior to cancellation.

IX. Acceptance

The undersigned parties to this Agreement bind themselves to the faithful performance of this Agreement. It is mutually agreed and understood that this Agreement shall not become effective until approved, accepted, and duly executed by the parties to this Agreement.

State Workforce Investment Board

By: _____
Matthew Rudimch
Chairman

Date: _____

Palau Community College

By: _____ Date: _____
Patrick Tellei
President

Ministry of Education

By: _____ Date: _____
Mario Katosang
Minister of Education

Palau Chamber of Commerce

By: _____ Date: _____
Surangel Whipps, Jr.
President

Belau Education and Employers Association

By: _____ Date: _____
Marleen Ngirametuker
President