



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

(Program Years 2012 and 2016)

For the Period of July 01, 2012 to June 30, 2016

TABLE OF CONTENTS

SECTIONS		Page Numbers
Plan Developn	nent Process	1-2
Section I.	State Workforce Strategic Plan	
	Vision	3-9
	Economic Labor Market Information Analysis	
	Economy	11-15
	Labor Market Indicators	16-23
	State Strategies	
	Key Program Priorities	24-28
	Priority of Service for Veterans and their eligible spouses	28
	State Governance Structure	
	A. Organization of State Agencies	29-31
	B. State Workforce Investment Board	32-36
	C. Structure/Process for Collaboration	37-49
	Overarching State Strategies	50-52
	Major State Policies and Requirements	53-55
	Desired Outcomes	56
Section II.	State Operational Plan	57-58
	Integration of One-Stop Delivery	59
	Administration and Oversight of the Workforce System,	
	Including Service Providers	
	A. Provider Selection Policy	60-63
	B. Capacity Building	64
	C. Regional Planning	64
	D. One-Stop Policies	64-65
	E. Oversight/Monitoring Process	66-67
	F. Grievance Procedure (Attachment)	
	G. Additional State Policies	67
	Service Delivery	
	A. Service Delivery Approaches and Strategies	68-69
	B. Workforce Information	69
	C. Adults and Dislocated Workers	69-70
	D. Rapid Response	70

E. Youths	7174
F. Business Services	74-75
G. Innovative Service Delivery Strategies	75-76
H. Strategies for Faith-Based and Community Organizations	76
State Administration	
A. Technology and Management Information	
Systems	76
B. Statewide Reserve Funds	76
C. Performance Management, Measurement and	
Accountability	77
D. Administrative Provisions	77
Section III. Integrated Workforce Plan Assurances and Attachments	
Assurances and Attachments – Planning Process and Public	
Comments	78-85
A – Program Administration Designee and Plan Signatures	86

PLAN DEVELOPMENT PROCESS

The State Workforce Investment Board met and had extensive review of the state planning guidelines for Integrated Workforce Plan Requirements. Each member of the Board asserted their expressed willingness to continue to serve as workforce partners and agreed to maintain existing partnership agreement for continuation of workforce, education, and economic developments. The Executive Committee which still consists of a majority of private business executives shall continue to perform their specific roles and responsibilities working directly with the WIA Office Director to further develop and enhance existing demand-driven workforce system and strengthened 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 03, 2012 meeting, the State Board reviewed requirements and guidelines for Five-Year State Integrated Workforce Plan that included public planning discussion with the President. With the convergence of the planning process and a continued membership of the State Board, emphasis was placed on its opportunity to become the catalyst for enhancing developed 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, continues to be viewed by the President and his State Board as critical directions for improving and advancing Palau's workforce system and are major considerations in planning discussions and development. The completed projects and envisioned new projects were reported at a recent State of the Republic Address by President Johnson Toribiong on May 02, 2012, and are so incorporated into this plan.

The President of the Republic of Palau, as the chief elected official, structured its State Workforce Investment Board in October of 2009 to consist of all community stakeholders from the private and public sector of the Republic. He 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 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 made presentations to the Palau Chamber of Commerce consisting of business owners and managers from the private sector of Palau. Through this meeting of the minds, the respective members of this organization have made commitments to strengthen collaboration with WIA Office for the training of new employees through on-the-job training or occupational training and including but not limited to assessment of academic needs, or some other identified 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, improved, and sustainable economy.

This state plan development process continue to 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, education, and economic development challenges.

?Building and aligning a demand-driven system that clearly reflects the employment needs of the industry clusters strengthen partnership aligned 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 Workforce Strategic Plan

• Governor's Vision: This portion of the Integrated Workforce Plan must describe the governor's strategic vision for the state's economy and overarching goals for the state's workforce system. This vision should provide the strategic direction for the state workforce system and guide investments in workforce preparation, skill development, education and training, and major initiatives supporting the governor's vision. The plan also must specifically address the governor's vision for aligning efforts among workforce development partners to achieve accessible, seamless, integrated, and comprehensive service, and how programs and activities described in the plan will support the state's economic development needs and the employment and training needs of all working-age youth and adults in the state. The plan must include a description of the methods used for joint planning, and coordination of the programs and activities included in the plan. (WIA Sections 111(d)(2), 112(a)-(b), W-P Section 8(c).)

President Johnson Toribiong won the Palauan people's heart with his campaign slogan of "MOVING FORWARD WITH TRUE PALAUAN SPIRIT and THE MEASURE OF NATION'S DEVELOPMENT IS NOT HOW MUCH WE HAVE BUT RATHER HOW HAPPY AND CONTENT WE ARE WITH WHAT WE HAVE", and his overall vision for the Republic of Palau's workforce development system to contine to improve and balance a demand-driven approach with supply-side needs. A demand-driven workforce development system is to prepare the existing and emerging human resources and citizens of Palau for careers and drives the work of the island nation's workforce and economic development agencies, while meeting the needs of business.

During the past three and half years, President Toribiong has continued to build on and improve the 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, Palau Social Security Annual Report, and Actions for Palau's Future Medium-Term Development Strategy of 2009-2014,.

In his May 02, 2012, State of the Republic Address, President Toribiong emphasized that he ... "has always considered Article VI of the Palau Constitution. The text of that article bears repeating: "The National Government shall take positive action to attain these national objectives and implement these national policies: conservation of a beautiful, healthful, and resourceful natural environment; promotion of the national economy; protection of the safety and security of persons and property; promotion of the health and social welfare of the citizens through the provision of free or subsidized health care; and provision of

public education for citizens which shall be free from grades one to twelve and compulsory as prescribed by law."

1"Significant progress has been made on almost all of the challenges that we faced when my Administration took office. Last year our local revenues exceeded our projection by about \$2.5 million and, as of April 13 of this year, our local revenues are running at 64% of our projections. Tourism is continuing to grow and last year Palau received over 100,000 visitors, up almost twenty percent. We are now almost 20% ahead of that record number and, at this rate, we can expect as many as 120,000 visitors this year. Importantly, employment in Palau was up significantly last year for the first time since it began declining in 2005. This, of course, is largely the result of the growth in tourism. The Compact Trust Fund has remained steady and is slowly increasing despite the continuing world-wide recession. As of last month, the value of the Trust Fund has actually grown above its pre-2009 level, reaching \$169.4 million."

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.

This Integrated Republic of Palau Five-Year Workforce Strategic Plan for Years 2012 to 2016 shall continue to use adopted 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

¹ SORA (State of the Republic Address) May 2012

the President's vision to "Move Forward With True Palauan Spirit And Continue to Measure Nation's Development By Not How Much We Have But Rather How Happy And Content We Are With What We Have", and further incorporates new goal structures of a Prepared, Competitive, Safe and Secure Workforce, and Strengthened Economic Protections by:

- 1. Providing effective training and support services to new and incumbent workers and to supply high-quality information on the economy and labor market that is customer-driven, the ultimate customer being employers;
- 2. Enhancing the effectiveness and efficiency of the workforce development and regulatory systems that assist workers and employers in meeting the challenges of regional and worldwide competition, and focused on economic development;
- 3. Ensuring that the workforce system is business-led and workplaces are safe, healthful, and fair; provide workers with the wages due them; providing equal opportunity; and protecting veterans' employment and reemployment rights;
- 4. Protecting and strengthening economic security through effective and efficient provision of workers' compensation and securing pension and health benefits;
- 5. The workforce development system is user-friendly, locally planned and controlled, committed to maximizing worker potential; and accountable for results while continuously improving the system.

President Toribiong's immediate vision for the Republic of Palau's workforce is as follows:

- •Create, Save, or Place citizens and residents of Palau into 100 local jobs by end of 2014
- •Improve Student Achievement and School, College, and Career Readiness in Palau by 25% by End of 2014
- •Increase the Number of Palauans who receive skills training by 20% at the end of 2014

The latest Action Plan for Palau's Future through the Medium Term Development Strategy (MTDS) has the following summary of policies, strategies and actions that is so incorporated into this five-year workforce strategic plan.

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
- 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

This Republic of Palau Five -Year Integrated Strategic Plan maintains its design 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.

Maintain the vision of the President and his State Workforce Investment Board 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, with an enhanced vision to:

- Further change existing job training system to become a talent development system.
- Enhance and use aligned economic and workforce strategies.
- Expand cross-functional competencies and skill sets that have been identified as needed on the job.
- Align training activities with the area's talent development strategies.
- Use current economic data and skills information to make informed decisions.

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 further enhanced and modified the mission statement to say:

"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 talent development system that is aligned to economic and workforce strategies for the 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 still 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.

In the past ten years, Palau has moved and will continue to move 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 and to
- Aligning economic and workforce strategies
- Expanding cross-functional competencies and skill sets that are needed on the job
- Aligning training with the area's talent development strategies
- Developing and using economic data and skills information to make informed decisions
- Eliminating duplicative administrative costs and services
- Enhancing service integration through established agreements with workforce partners, and
- Partnering to eliminate silos and further reduce duplication
- Effectively leverage resources
- System-wide resource management
- Improve connections
- Target youth program investments to those most in need
- Continuing to improve workforce information systems
- Improve and simplify performance accountability across programs

The State Board shall continue to use the four Key Ingredients of Transformation, Integration and Coordination, Innovation and Accountability for Results to strengthen its workforce, education, and economic systems.

Palau's School-to-Work System is a flexible, outcomes-based education system with 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.

Economic and Labor Market Information Analysis

The Integrated Workforce Plan must describe the labor market and economic context in which the state's workforce system (including all the programs in the Integrated Workforce Plan) is operating, based on accurate and timely labor-market, demographic, and economic information, with particular attention given to high-need, under-served, under-employed, and/or low-skilled subpopulations. (WIA Sections 112(b)(4), 112(b)(17)(A)(iv), 112(b)(18), W-P Section 8(b) and 15.). This description should include an assessment of the needs of constituents within the state who will become, or currently comprise, the state's workforce, particularly those needs which can be addressed by the programs included in the Integrated Workforce Plan.

The state's analysis of the current economy and future trends of the economy forms the foundation for strategic planning. For its analysis, the state may use the workforce information produced be the state workforce agency as well as other data available from Federal, state, and private sector sources, and informed by the business representatives of the state workforce investment board (SWIB). The Integrated Plan must include the following information, consistent with Section 112(b)(4) of the Act;

- o An assessment of the current situation and projected trends of the state's economy, industries and occupations, including major economic regions and industrial and occupational sectors
- o An assessment of the workforce skills and knowledge individuals need to find current and future employment in the state, particularly those skills and knowledge identified by employers as necessary for economic growth in the state
- o A description of the characteristics and employment-related needs of the state's population, and diverse sub-populations, including those from racial, ethnic, linguistic groups, older persons, and individuals with disabilities
- o Based on the assessments above, an analysis of the skill and education gaps for all individuals within the state, particularly for those individuals targeted by the programs included in the Integrated Workforce Plan
- o An analysis of the challenges associated with the state's population attaining the education, skills, and training needed to obtain employment
- o A discussion of the ability of Integrated Workforce Plan programs to meet the skill needs of employers in the state and close any skill gaps

ECONOMY

The private sector has exceeded the government sector to become the primary employer employing 5,849 workers.² Although this number has surpassed the public sector, the higher wages and benefits within the public sector remains a great attraction for the emerging local labor force. Tourism continues to be Palau's leading private sector income source, with potential for further growth. Statistical records taken from the Palau Visitors Authority shows an increased trend of tourism. In Year 2006 from January through December, Palau received total visitors at 82,397. In January and February of 2007, there were 15,914 visitors, representing slight increase of 2 percent. For the past three straight years, tourism for Palau has hovered around the 80,000 mark, and beginning of this year 2012, Palau received its 100,000 visitor. Agriculture and fishing industries, while comprising of a small share of the national output and income, are among the potential industry for growth.

Palau's per capita GDP of \$8,941 makes it one of the wealthier Pacific Island states. Nominal GDP increased by an annual average of nearly 14% from 1983 to 1990, and by an annual rate of over 10% from 1991 to 1997. Growth turned sharply negative in 1998 and 1999 as a result of the Asian financial crisis, but a gradual rebound followed, and the economy grew by 5.6% in 2007.

Tourism (and its attendant infrastructure changes) is Palau's main industry. Its major draws are its diverse and pristine marine environment, and its above-water tropical island beauty. The number of visitors--31% from Japan, 35% from Taiwan, 17% from Korea, and 8% from the U.S.--was over 100,000 in 2011, a 13% increase from 2010. Continental Airlines has direct flights to Palau from Guam and the Philippines. Delta Airlines has weekly non-stop flights from Narita, Japan to Palau. Japan Airlines runs chartered flights from Tokyo, and Korean Airlines does the same from Seoul on a seasonal basis. Palauan tourism and environmental authorities would like to adjust the industry, simultaneously decreasing tourist volume and increasing income by attracting more high-dollar tourists. The service sector dominates the Palauan economy, contributing more than 50% of GDP and employing more than half of the work force. The government alone employs about 30% of workers and accounts for 20% of the GDB.

Construction is an important industrial activity, contributing over 15% of GDP. Several large infrastructure projects, roads, and hotels have boosted this sector's recent contribution to GDP. Agriculture is mainly on a subsistence level, the principal crops being coconuts, taro, and bananas. Fishing is a potential source of revenue, but the islands' tuna output dropped by over one-third during the 1990s. Fishing industry revenues are mostly from license fees from fishing vessels.

Palau WIA 2012-2016 Plan

² Republic of Palau 2005 Census of Population and Housing (www.palaugov.net/stats)

The statistics obtained from the Office of Planning Statistics, Bureau of Budget & Planning under the Ministry of Finance shows that the average number of people reportedly receiving wages in 4th quarter of 2008 went down 6.1% compared to the same period in 2007. The largest drops were in the Mining & Quarrying Industry (-52.5% and the Real Estate, Renting and Business Activities (-18.2%). There were no significant gains in employment number. The percent changes in quarterly employment figures have been in the decline over the last five quarters, although the size of the drops has gotten smaller since 1st quarter 2008 which may be due to late filers. According to preliminary estimated figures, the ratio of Palauan to Non-Citizens employed has been nearly equal over the past two fiscal years with Palauans only slightly outnumbering Non-Citizens in FY2008.

DECEMBER 2008	QTR KEY FIGU	RES	
	4 th Ouarter '07	*4 th Ouarter '08	l Annual%
Industry	No. Employed	No. Employed	Change
Agriculture, Hunting and Forestry	140	122	-12.8%
Fishing	193	167	-13.6%
Mining and Quarrying	33	16	-51.5%
Manufacturing	304	260	-14.4%
Construction	1,096	980	-10.5%
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and			
Household Goods	2,094	1,972	-5.8%
Hotels and Restaurants	1,720	1,620	-5.8%
Transport, Storage and			
Communications	895	883	-1.4%
Financial Intermediation	150	149	-0.8%
Real Estate, Renting and Business Activities	884	723	-18.2%
Public Administration and Defense; Compulsory Social Security	3,003	3,019	0.5%
Education	576	554	-3.8%
Health and Social Work	105	108	3.1%
Other Community, Social and Personal Service Activities	301	277	-8.0%
Private Households with Employed Persons	912	814	-10.7%
Extra-Territorial Organizations and Bodies	13	14	7.7%
TOTAL	12,418	11,660	6.1%

Source: www.palaugov.net/stats

³RECENT ECONOMIC DEVELOPMENTS AND OUTLOOK Recent Developments

The economy has recovered strongly from the 2008–09 downturn. Real GDP growth is estimated to have reached about 6 percent in FY2011. This was driven by a 25 percent increase in tourist arrivals, surpassing pre-crisis levels. Annual inflation increased from 1½ percent during 2009–10 to 3½ percent in 2011, due to a sharp rise in food and fuel prices during the first half of the year.

The fiscal position has improvedmarkedly, but the deficit remains sizable at 14 percent of GDP. Thanks to spending restraint and economic recovery, the current fiscal deficit (excluding grants) declined cumulatively by 3½ percent of GDP during the past two fiscal years. Nevertheless, government cash reserves stood at only US\$7 million (about one and a half months of government spending), while arrears amounted to about US\$15 million (7 percent of GDP) at end-FY2011.

The rebound in tourist arrivals led to an improvement in the external position. The current account deficit (excluding grants) declined to 11 percent of GDP in FY2011, despite a rise in imports from higher commodity prices FDI flows have remained subdued. The Compact Trust Fund balance has stabilized at around US\$150 million, albeit still 15 percent below its pre-crisis peak.

Outlook and Risks

The recovery will likely continue in the near term, supported by new scheduled flights and hotel construction. The economy is projected to grow by 3 percent in FY2012 and average 2 percent over the next few years, with expansion in the tourism sector offsetting with the expected fiscal consolidation. Barring a spike in global commodity prices, inflation is expected to stay around 2 percent over the medium term.

Downside risks dominate and mainly stem from external factors. If a severe downturn spreads to Asia, the main tourism source region for Palau, the tourism sector could take a big hit. This would have significant adverse effects on broader economic activity. An appreciation of the U.S. dollar amid heightened risk aversion could also reduce Palau's external competitiveness and further affect the tourism sector. Although the renewed ⁴Compact grants are unlikely to be affected, other aid flows may be delayed as

³ IMF Country Report 12/54 www.imf.org/external/pubs/ft/sc/2012/cr1254.pdf

⁴ The renewed agreement for FY2010-24 is pending U.S. Congressional approval.

donors face tighter finances. Given Palau's heavy dependence on imports, a sharp rise in food and fuel prices could depress domestic demand and weaken both the fiscal and external positions. Finally, while losses in Palau's overseas investments, notably the Compact Trust Fund, would not have an immediate fiscal impact, 5larger fiscal adjustments may be required over time to achieve sustainability. Given the sizable fiscal deficit and the absence of monetary and exchange rate policies, Palau has very limited policy space to counter these risks. In a downside scenario, Palau may need to seek concessional external assistance.

Private Sector Development

Blessed with natural beauty and located close to fast-growing Asian markets, Palau has great potential to further develop a vibrant private sector. Palau lags behind many of its peers in the World Bank's ease of doing business indicators. According to AsDB, key obstacles include a restrictive FDI regime, foreign labor regulations that distort hiring practices, complex and opaque licensing arrangements, the lack of secured access to land, as well as inadequate access to bank credit. Foreign companies face minimum investment requirements and are subject to restrictions on the type of business activities. They are also required to pay higher foreign worker fee than domestic companies and to employ a minimum share of Palauan employees while domestic businesses are not. These distortions create incentives for front businesses (foreign companies with a Palauan as a front). Foreign workers have a lower minimum wage than Palauans, likely contributing to higher unemployment among Palauans. Regarding land, obtaining leases can be a long and burdensome process for foreign investors and titles can be contested. Finally, due to high credit risks and limited domestic investment opportunities, banks place most of their assets abroad and provide limited credit to the private sector.

Range of measures to promote private sector-led growth in the face of needed fiscal adjustments. The type of business activities could be managed through licensing arrangements rather than the source of capital (foreign or domestic). On labor regulations, consideration needs to be given to unifying the minimum wage for foreign and domestic labor, applying the same foreign worker fee for foreign and domestic employers, and controlling foreign worker inflows through the foreign worker fee instead of quotas. Authorities were advised to establish a one-stop arrangement for state and national investment licensing requirements. There is also a need to make land leases precedent over a change in title to provide greater legal security for investors. The government supported the secured transaction legislation and anticipated its passage through Congress soon.

⁵ Budget withdrawals from the Compact Trust Fund are specified under the Compact Agreement and have been US\$5 million annually. The fund is invested in U.S. equities (65 percent) and bonds (35 percent).

LABOR MARKET INDICATORS

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

LaborMarket Indicators	1980	1990	1995	1990	2000	2005
Number of persons						
employed, males		3,544	4,735	3,544	5,827	5,982
Number of persons						
employed, females		2,057	3,045	2,057	3,556	3,795
Number of persons						
employed, urban					8,170	7,883
Number of persons						
employed, rural					1,213	1,894
Number of persons						
employed, private	1,182	3,484	5,098	3,484	6,338	6,389
Number of persons						
employed, public	1,563	2,115	2,661	2,115	2,745	3,388
Number Unemployed,						
males		289	321	289	121	232
Number Unemployed,						
females		182	267	182	103	194
Unemployment rate,						
urban					2%	3.5%
Unemployment rate,						
rural					7%	7.0%
Unemployment rate,						
males 16 – 24					5%	12.8%
Unemployment rate,						
females 16 - 24					6%	10.5%

Source: Office of Planning and Statistics

The labor force increased from 9,607 in 2002 to 9,777 in 2005, an increase of about 9 percent. Of the total 10,203 in labor force, 9,777 were employed and 426 were unemployed. There are still 4,552 Palauan of employable population who needs to either further or obtain quality education and training.

There continues to be in existent 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 earnings 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.

Although number of persons employed in the private sector has exceeded the public sector, the prominent jobs, higher earnings, and benefits within the public sector remain as the dominating employment opportunity for the Republic's emerging human resources. Another factor for the high number is non-resident workers. The private sector represented by the Chamber of Commerce is working collaboratively with the established partnership of WIA Office, the Ministry of Education, and the Palau Community College to develop talent and skill requirements of identified positions allowing opportunities for higher wages to the emerging local workforce population.

According to Labor Force statistics in the 2000 Census and the current 2005 Palau Census the following industries are categorized as follows:

INDUSTRY	NUMBER OF WORKERS
1. Managerial and professional specialty	1,848
Executive, administrative, and manager	706
Management related	706
Professional specialty	1,142
Engineers and natural sciences	498
Teachers, librarians, and counselors	644
2. Technical, sales, and administrative support	2,083
Technologists and technicians	119
Sales	699
Administrative support, including clerical	1,265
Secretaries, stenographers, typists	1,265
3. Service	2,142
Private household	825
Protective service	499
Service, except protective & household	818
Food preparation and service	545
Cleaning and building service	199
Personal Service	74
4. Farming, forestry, and fishing	559
5. Precision, production, craft and repair	1,054
Mechanics and repairers	232
Construction trades	736
Precision production	86
6. Operators, fabricators, and laborers	1,977
Machine operators, assemblers, inspectors	200
Transportation and material moving	446
Handlers, equipment cleaners, helpers	1,331

As 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 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.

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.

2011 Visitor Arrival For Each Market Group by Residency (Excluding Residents, Flight Crew, Students, Employment & Others)

	IANE	FEB	MAR	Apple	MAY	JUNE T	JULY	PALIC	SEPT	DC1	NOV	DEC	TOTAL
AUS / NZ	65	£	71	182	180	1177	43	45	101	91	7 7		1.134
CERMANY	39	22	71	-41	21	12	31	.55	59	177	- 111	94	740
CELAM	195	230	223	194	134	138	116	133	99	92	154	117	1951
HONG KONG	53	97	: 57	112	42	26	16	16	13	- 31	ž0.	261	预
ITALV	43	61	·401	:3	11	9	13	52	8	4	19	17	(23)
JAPAN	3,413	4,433	3,700	1.006	2.242	\$,774	2.733	4,360	4,505	3:289	2,614	3.536	37,808
MODEY	1,204	217	518	540	190	100	2.419	2.417	1,215	1,303	1.310	1,795	15821
MICRONEIA	25	56	74	141	113	134	65	40	- 31	50	81	65	456
PHILIPPINES	24	98	102	李	73	76	65	79	45	84	50	.57	113
PRC CHINA	93	167	39	116	41	50	156	212	105	279	112	258	1,629
ROCTAMIAN	3,066	1.993	1,501	3.272	2,769	3,526	4,783	£31∉	3,442	3:245	3,019	2.812	37,633
RUSSIA	89	89	186	66	38	10	16	5	128	65	:417:	34	527
SWITZERLAND	34	20	3#	51	13	16	20	13	3	23	34	27	389
UNITED KINGOOM	19	15	39	15	2.5	22	16	17	114	15	10	22	260
US MAINLAND	563	547	529	374	566	453	454	365	320	394	513	500	0083
OTHER EUROPE	143	160	184	104	52	47	85	76	74	117	274	99	1,381
OTHERS	76	39	PII.	367	64	76	34	82	135	110	76	117	1,184
TOTAL	F.3006	1,009	7,515	1,919	7,748	7.89	13.992	12:335	10311	2.256	8,613	9,888	18165*

TOTAL	9.200	A.9HE	7,615	7 979	7,240	T.489	11.093	12,335	10,327	8.286	8,698	3,383	189,651
OTHERS	76	39	91	367	¢+	10	54	12	23.5	112	76.	317	1,184
OTHER EUROPE	145	1.60	184	166	52	31	65	76	74	117	274	99	1,387
US MAINLAND	563	347	529	374	558	453	154	365	320	394	525	500	5,506
UNITED KINIZOM	10	15	30	25	15	22	16	17	16	15	45	24	560
WITERAND	:34	30	≥39.	151	191	16	20	:13	- 5	27	341	(-17	289
RUSSIA	69	59	611	(65	36	10	10	5	21	63	117	#	321
ROC TANKAN	3.065	1.912	1,591	3,272	2,709	3,526	4,753	4,314	3,442	5,345	3,019	2,812	37,632
PRO CHINA	85	101	29	\$16	45	40	166	212	105	279	112	258	1.691
PHILIPPINES	\$4	99	102	20	72	76	64	70	85	54.	50	57	813
		-2.1	- 1	-35	377-1		-21	-34	771	-51	75.1		

2012 Visitor Arrival For Each Market Group by Residency (Excluding Residents, Flight Crew, Students, Employment & Others)

														APR 2012	APR 2012	APR T2 YES
IAN FE	FEB	MAR	APRIL	MAY	JUNE	REV	AUG	SEPT	003	NOV	DEC	TOTAL	VV- APRI 2021	Market Page	91-757 TA 1772	
ALS INT	25.	TV	130	1,55								i i	439	-17,999	1,54%	30,07%
CERMANU	.69	149	144	85			i i						研	107328	1.01%	49.49%
CUAM	34	\$3	117	321									7975	34335	140	-05.14%
HONIC HONE	257	39	58	83									428	25,894	8,99%	40 506
TALY	.41	73	78	10									306	30030%	0.129	26.20%
JAPAN	3,501	1917	+154	3,523									14304	25779	30.00%	4.0%
KOREA	1,885	1.817	1,163	1,230									5,093	\$5,77%	28,68%	11.99%
MICRONESIA	133	45	- 33	140									(150)	71636	0.48%	SEE SHOW
PHILIPPINES	52	56	59	/64									(271)	20.00%	0.764	25.00%
PRO CHINA	621	235	228	245									1327	131219	2.92%	165 11.8
POCTANIVAN	3,605	5.075	2.393	2,813									11.975	43185	31545	22,80%
RUSSIA	31	22	120	125									325	81.62%	1,42%	-38,49%
SWITZERLAND	12	#5	: 27	37									121	27,433	2,449	. 0.70%
UNITED KINGDOM	32-	30	39	156									(141)	124,00%	0.67%	45.54%
US MAINLAND	612	620	731	488									2851	1458%	3.83%	5.97%
OTHER EURCIPE	110	117	343	265									679	an litera	1.644	TA TORK
OTHERS	23	104	104	725									403	5431%	1495	34305
TOTAL	min	19,511	9,900	8,462	*			- 3	-	, a	-	-	T0'0'48	3.10%	200.00X	18.82%

Prepare by Lanny Ngedebuu_May 31, 2012

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.

⁶Promotion of food security for Palau - launched the Green Revolution initiative, have established a Center for Agricultural Development, hatcheries for rabbit fish and groupers, installation of Fish Aggregating Devices (FAD) and the distribution of 110 goats to local farmers. All States of the Republic have established marine sanctuaries to conserve their local fisheries as a condition of receiving their state block grants.

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. <u>Aquaculture</u>. 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.

⁶ SORA (State of the Republic Address) May, 2012

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. <u>Roads</u>. 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. <u>Airport/s</u>. 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. <u>Seaport/s</u>. 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.

In June of 2012, the Palau National Congress passed a bill that established Palau Water and Sewer Corporation, a semi-autonomous agency responsible for the water and sewage matter of the Republic.

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 Babeldoab 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.

President Toribiong's Administration has been able to identify and make funds available to the Palau National Communications Corporation for it to acquire an existing underwater fiber optic cable and to begin the process of retrieving and redeploying the same to Palau. It will perhaps be the most important initiative undertaken in Palau since the construction of the airport and Compact Road as it will be the information highway that links Palau to the rest of the world. The Secretary General of the United Nations has said that broadband Internet connectivity is indispensible to the achievement of the UN Millennium Development Goals

State Strategies

The Integrated Workforce Plan must describe the key strategies the state intends to implement, based on uts economic analysis, to achieve the governor's vision and goals.

- <u>Cross-Program Strategies</u> The plan must discuss integrated cross-program strategies for specific
 populations and sub-populations identified in the state's economic analysis, strategies for meeting the
 workforce needs of the state's employers, and regional and sector strategies tailored to the state's
 economy.
- <u>Partnerships</u> The plan must include a discussion of key strategic partnerships that are necessary to successfully implement the strategies, specify roles of specific state entities and program, and discuss how the strategies will meet the needs of employers and of each sub-population. (WIA Sections 111(d)(2), 112(b)(8), W-P Section 8(c).)
- <u>Leveraging Resources</u> The plan must discuss how the state will coordinate discretionary and formulabased investment across programs and in support of the governor's vision. The state's planned commitment of Federal and non-Federal funds to program funds to leverage other Federal, state, local, and private resources, in order to effectively and efficiently provide services. (WIA Section 112(b) (10).)
- <u>Policy Alignment</u> The plan must discuss how the state will align policies, operations, administrative systems, and other procedures to assure coordination and avoid duplication of workforce programs and activities outlined in WIA Section 121(b). (WIA Sections 111(d)(2)(A), 112(b)(8)(A), 121(b), 20 CFR 661.205(b)(1).)

Key Program Prioritries

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 public 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.

Continuing to Use the Four Key Ingredients, The President and the State Board shall continue its commitments to transform the Workforce System with able leadership and be the catalyst for change by strengthening collaboration of the workforce and education systems to be directly aligned with economic development to provide high-quality service for all individuals seeking workforce services toward talent development, 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 and strengthened 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. In strategic and collaborative endeavor, all partners shall make every effort to ensure that globalization of workforce, education, and economic advancement will allow transformation of skills throughout the regional economies.

According to Palau statistics for incoming visitors to Palau, temporary foreign workers who arrived in Palau for Year 2005 numbered 5,322. Those from the Philippines accounted for 49.8 percent and those from PRC China at 13.8 percent. Combined, the Philippines and China supply about 64 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 3,974 new and renewed foreign workers from January 01 to December 31, 2006, ranging from professional and technical positions to clerical, sales, and services occupations.

Taking into account the six occupations identified in the 2000 Palau Census including the latest 2005 Palau Census, the five priority areas of infrastructure development and requirements continue to show that Palau needs to have a strong and demand-driven 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 Ministry of Education's School-to-Work System is a <u>Lifelong Learning System</u> that begins from K-12. Transformation from academics to career began since it became law in 2000 (Education Master Plan). Through continuous strong partnership and collaborative efforts among the workforce and education partners, the Palau Public School System under the Ministry of Education partners with Chamber of Commerce (COC), the State Workforce Investment Board (SWIB), the Belau Employers and Educators Alliance or Association (BEEA), and the Palau Community College to conduct the career academics and practicum starting at 9th grade throughout 12th grade.

The Career Academies are:

1. Engineering/Industrial cluster includes the engineering, industrial automotive, small engine and outboard motor, electricity, surveying, electronics, communication technologies, etc. The basic math skills, communications, and interpersonal skills required in these areas are common to all. The machinery and devised used in these fields require knowledge of electrical principles, hydraulic and pneumatic principles, thermal, and optical systems.

- 2. Business/Information Systems cluster includes occupations/jobs such as secretarial services, clerical services, accounting/bookkeeping, business management, data processing and other areas related to the processing of information and data. The math skills in these areas focus more on information analysis and processing. These areas require similar skills in organizational dynamics focusing on human behavior and knowledge of group behavior and team processes.
- 3. Health/Human Services cluster includes services such as nursing, child and elder care, food & hospitality services, social services, etc. The cluster meets a common need for the development of courses that will enhance interpersonal skills and knowledge required in dealing with human behavior and knowledge of group behavior and team processes.
- 4. Arts/Humanities cluster focuses on occupations in such areas such as journalism, creative arts and crafts including Palauan arts/crafts, public services, and other related services such as police officers, teachers, etc. This cluster requires less depth in specialized mathematics, technology, and science, but more on broad exposure to creative, humanistic, and societal concerns.
- 5. Natural Resources cluster focuses on occupations in the field of Agriculture, Forestry, Marine Science, and career related to our natural resources, etc. This cluster requires knowledge in sciences and technology.

High school students (PHS annual enrollment is approximately 700-800 students) beginning at freshmen begin their academic studies requirements along with at least one career academy class (World of Work I-WWI) at each semester. At the sophomore years, the students continue taking required academics classes and WWII during first semester. Beginning the second semester (January), the students start their job shadowing and mentoring activities with partner agencies from the government sector, the non-profit organizations, as well as the private businesses through the COC and BEEA. These students also register with WIA Office for further work experience or practicum. During the senior year, students have acquired a portfolio that allows them to continue their practicum work experience activities and, based on their acquired academic credentials, may participate in the High School/ Community College Dual Program at the Palau Community College funded in part by the WIA Office. Approximately 150 students are provided these services each year.

The summer youth employment and training program is also a continuum of the career to work or school to work activities. All youth program coordinators from Work-Based Office, the Health and Science Program (MOE); the WIA Office; Palau Community College-Talent Search Program, Upward Bounds Program, and Upward Bounds Math and Science Program meet every May of each year to share program information as part of the ongoing effort of eliminating duplication of programs and leveraging resources while serving each and every youth to acquire academic and career skills toward a better future and a strong economy for Palau. The strong collaborative efforts makes it possible for all youth programs to provide academic and work experience activities to 500 youths every summer.

Through the same strong partnership, the Ministry of Education, the Palau Community College, and the State Workforce Board provide collaborative services to those individuals age 18 and above through enrollment with either the GED Program or the Adult High School Program while undergoing work experience as an incentive to acquire much needed educational credentials. A cross program policy has been adopted by the Palau Community College and the State Board to require any such participant undergoing work experience or on the job training at the Palau Community College to enroll in the Adult High School Program. The services continues to be provided to a participant upon successfully achieving

alternative high school requirements toward further enrollment into the college system and advanced occupational skills training or on the job training programs. This same policy applies to those participants with high school diploma or equivalence to enroll in the college while receiving other workforce services

The Work-Based Office under the Ministry of Education also work collaboratively with the WIA Office to enroll potential GED students in identified workforce activities as deemed appropriate while continuing with alternative secondary education.

In October of 2009, Palau WIA Office and the State Workforce Investment Board entered into a formal program partnership agreement with the Ministry of Health to:

- 1. Provide workforce and talent development programs to eligible participants that include but not limited to on the job training, work experience training, internship, and applicable vocational and non-vocational training.
- 2. Referral of customers to other agencies or institutions for services not directly available under Ministry of Health.
- 3. Access to relevant training via the Ministry of Health College of Health
- 4. Data on identified future Health Workforce skills and staffing shortages
- 5. Details of the new MOH mechanism for measuring and improving performance
- 6. Human Resources staff assistance and support to ensure common goals are met

Apprenticeship Training: In November 01, 2004, the State Board and the Palau Community Action Agency entered into a formal agreement to partner and conduct the apprenticeship training program with the Sea Bees Action Team (an expert training team of either the United States Navy or Air Force) to provide apprenticeship training in various occupations including but not limited to carpentry, construction mechanic, heavy equipment operators, builders, small engine mechanics, electricians, utility man, steel worker, medical assistant, and administrative assistant.

Through collaborative efforts, the program has graduated approximately 105 participants who have entered into unsubsidized employment with both the public and private sectors. Recently, in June of 2012 to September 2012, nine participants enrolled in pre-registered apprenticeship training in the nearby regional area, specifically, Center for Micronesian Empowerment (CME) at the Ukudu Village in Guam as a direct result of joint efforts pursued during the Micronesian Chief Executives' Summit that is part of the ongoing regional economic collaboration. Future regional plans anticipate more Palau trainees to the CME or to the Mainland USA.

On-the-Job Training; Occupational Skills/Work Experience Training; In July 01, 2005, the State Board and the Chamber of Commerce, the BEEA, the Palau Community College, and the Ministry of Education entered into an agreement whereby workforce activities that includes on the job training are so conducted through collaborative efforts. Any vacancy occurring in any of the workforce sector shall be communicated among all the partners for provision of appropriate services and on the job training activity. Within the Palau Community College Campus the College Extension Program provides much needed short term training in basic computer and accounting skills, customer service, cashiering; the Small Business Development Center also provides short term skills training in automated accounting systems, writing of business plans, and other related activities as listed in the college's website at www.palauedu.net.

On the job training also occurs within the public sector, the national and the state governments. Although policies have been put into place to maximize the government sector, positions and vacancies in occupations such as nursing, police and fire officers, teachers, and other equally vital positions within the government sector continue to demand qualified and trained employees. The State Board through the WIA Office and its workforce partners shall continue to provide on the job training and work/occupational skills training to youths, adults, and dislocated/displaced workers as part of the President's vision to empower Palau's human resources that will move forward the economy of Palau while maintaining the traditional integrity of Palauans as arduous and innovative workers toward a more secure future.

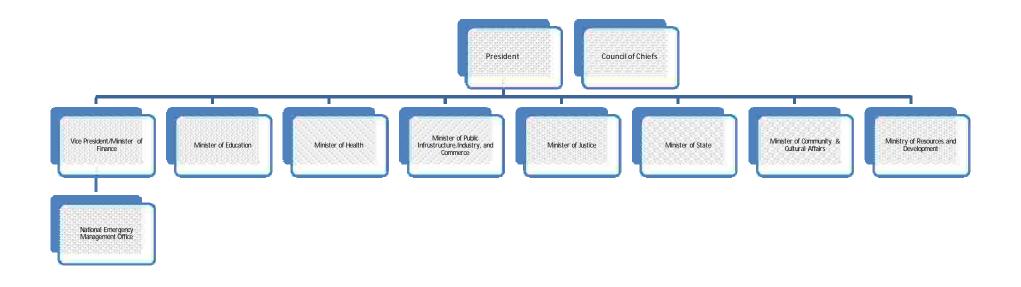
Priority of Service for Veterans and their eligible spouses:

The State Board, its Committee and Council, the WIA Office and all its workforce partners shall prioritize services to any veterans from the United States Armed Forces to allowable workforce services and activities pursuant to established policy in compliance with the Jobs for Veterans Act (PL 107-288, 38 USC 4215).

STATE GOVERNANCE STRUCTURE

A. Organization of State agencies

REPUBLIC OF PALAU EXECUTIVE BRANCH ORGANIZATIONAL CHART



Palau WIA 2012-2016 Plan

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 Public Infrastructure, Industry, and Commerce

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

PRESIDENT STATE

WORKFORCE
INVESTMENT

REPUBLIC OF INVESTMENT BOARD

EXECUTIVE COMMITTEE/ LOCAL BOARD

WIA
TITLE I OFFICE
(ADMINISTRATIVE
ENTITY)

YOUTH COUNCIL

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 and given to function as Local Board. 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 has structured 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); fourteen members are from the private and business sector of the community; four members are from the national and state governments; one from community college; five 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 President 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:

Directing Manager - Koror Wholesalers

Owner/Manager – Okemii Deli

Manager - Shmull Enterprises

Manager – Philip Reklai & Associates

Station Manager – Continental Micronesia

Manager – Melekau Insurance Agency

Manager – Blue Bay Petroleum

Manager – Moylan's Insurance

Owner/Manager – Waterfront Villa

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

Human Resources Director – Palau Pacific Resort

Human Resources Manager –Surangel & Sons Company

Human Resources Director – Palau Conservation Society

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

President - Chamber of Commerce

Bank Pacific – Member of Chamber of Commerce

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:

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.)

Koror 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:

Chief – Division of National Youth Affairs

President – Palau Community College (semi-autonomous agency)

Director – Palau Community Action Agency (community-based agency)

President – Belau Employers and Education Association (non-profit organization)

Director – Palau Tourism & Hospitality School of Excellence

The required WIApartners:

Director – WIA Office (semi-autonomous agency)

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)

Chief – Division of Labor

Director – Juvenile Justice Program

Functions of the State Workforce Investment Board:

Assist the President to:

Develop Statewide Plan;

Develop and continue improvement of a statewide system of activities funded under subtitle B of Title I of WIA:

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;

Develop allocation formulas for the distribution of adult employment and youth activities; and

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 (Local Workforce Investment Board):

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)

Member - Chamber of Commerce (State Board Vice Chairman)

Owner/Manager - Okemii Deli

Bank Pacific – Member of Chamber of Commerce

Director – Palau Community Action Agency (community-based agency)

Human Resource Director – Palau Pacific Resource

Human Resource Manager - Surangel & Sons Company

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 WIATitle 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:

Chief, Division of Public School Systems, Ministry of Education

Manager, Melekau Insurance Agency

Chief, Division of National Youth Affairs

President – Palau Community College

Executive Director - WIA Office

Director – Juvenile Justice Program

Program Coordinator - Adult Education & Literacy Program, Ministry of Education

President - Belau Employers and Education Alliance

Director – Palau Tourism & Hospitality School of Excellence

Functions of the Youth Council:

Assist the Executive Committee to develop youth portion of the State Plan;

Recommend eligible providers of youth activities;

Conduct oversight of eligible youth activities;

Coordinate youth activities authorized under WIA;

Serves as a catalyst for engaging youth providers in policy development and service design of a comprehensive youth system;

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, fax, or

through e-mail. These meetings are published through public announcements and are open to the general public's interests.

Meetings are held at accessible places that allow 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:

- •Regarding provision of services by such member or by an entity that such member represents; or
- •That would provide direct financial benefit to such member or the immediate family of such member; or
- 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 19,907 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 Divisions of Labor and Job Placement have moved their respective offices to the former Bureau of Public Services in the center of Koror located directly across from the Palau Community College, the WIA Office, and walking distance to the Ministry of Education. This action moves forward the concept of a one-stop career center to a close realization of accessible workforce and education services to customers.

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.

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.

⁷ Republic of Palau 2005 Census of Population and Housing (<u>www.palaugov.net/stats</u>)

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.

The 8Palau 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 Continuing Education Division serves as an outreach arm of the college responsible to sponsor activities including non-credit and short-term training designed to meet pre-service and in-service needs of the community. Continuing Education provides programs and services that empower the community to meet its growing and changing educational and training needs.

1. CE serves the community by offering non-credit programs such as pre-service training for those who are looking for jobs, in-service training for those who are employed and need to enhance and upgrade their skills, workshops, seminars, conferences, conducting community surveys, or apprentice training for persons regardless of their age or previous education, and who are not concerned with earning academic credits but wish to enrich their lives and improve their personal efficiency.

⁸ Information of Palau Community College accessible at www.palau.edu

- 2. CE provides one-on-one advising, counseling and guidance for people interested in acquiring entry-level skills or for employees who need to upgrade themselves.
- 3. CE offers summer programs, such as keyboarding, computer application, mathematics, English reading and writing, music, art, camping, marine science, and Internet exploration, for school age children.

ENRICHMENT or NON-CREDIT PROGRAMS

Individual programs are developed based on specific requests made by individuals or groups for their immediate and/or long term needs. CE customizes the programs to fulfill the needs of the customers. However, due to high costs of materials, salaries of instructors and adequacy of facilities, CE sets the minimum number of participants at ten (10) for each program offered and reserves the right to change this number. A certificate of enrichment/completion is awarded to individuals who complete the programs and meet the program requirements.

ADMISSIONS REQUIREMENTS

There is no admission requirement for any of the programs. Regardless of age or background, individuals can choose to attend what is relevant to their needs and interests ranging from basic level, intermediate level and advanced level programs.

PROGRAM SCHEDULE AND LOCATION

Programs are offered throughout the year. Most programs are offered during late afternoon and evenings, weekends, holidays and school breaks. Program offerings are also accessible to all states of Palau depending on the nature of the programs requested and the feasibility of offering programs on site.

FEES AND OTHER CHARGES

The fees for CE programs depend on the following: Duration of the training, instructor salary, materials to be used in the training, equipment, and facility and administrative costs. By setting the minimum number of the participants, this will reduce the fees to an affordable level. The range of fees for each program offered based on the criteria mentioned above start from five dollars to over a hundred dollars. Since there is no federal financial assistance to help the participants attending CE programs, CE encourages individuals or groups who are interested in attending trainings offered to seek other sources of funding.

"OTHER PROGRAMS AT THE COLLEGE"

CHILD CARE CENTER

The Belau Child Care Center and Child Skills Training Facility exists to provide high quality child care services to anybody within the community. These services include support for breast feeding mothers, day care for preschool children and after school activities for older children.

The Center will endeavor to train people who provide child-oriented services or are in the field of early childhood education and to assist anyone who wishes to develop child care skills. It can also serve as a model facility that other child care providers may use for resource purpose.

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.

THOMSON EDUCATION DIRECT (TED)

Thomson Education Direct is one of the oldest and largest distance learning institutions in the world. The school provides programs and services that are designed to meet the life-long learning needs of the adult learner. Programs of study lead to career-specific diplomas. Through an approved partnership with Thomson Education Direct, the following programs are now available through Palau Community College:

Carpenter Home Inspector

Professional Landscaper Electrician Drafting with AutoCAD Artist

Occupational Therapy Aid Photographer

Diesel Mechanic PC Specialist

Auto-body Repair Dental Assistant

Auto Repair TechnicianApplianceRepairMedical Office TechnicianLegalSecretaryElectronics TechnicianTravelAgent

Small Engine Repair Telecommunication

Medical TranscriptionistTV/VCRRepairPharmacy TechnicianSmallbusinessDress Making/DesignDesktopPublishingAirCondition/Refrigeration

Wildlife/Forestry
Conservation
Hotel/Restaurant
Management

Child Day Care Management

NATIONAL OCCUPATIONAL COMPETENCY TESTING INSTITUTE (NOCTI)

The National Occupational Competency Testing Institute (NOCTI) is the foremost provider of occupational competency examinations to business, education, industry, government, and military in the United States. These examinations are offered at two levels: Job ready and the experienced worker. NOCTI assessments can assist educators and employers in identifying occupational skills required of entry level employees or for experienced workers to move ahead in their fields. Palau Community College is an approved NOCTI Area Test Center and is responsible for coordinating and administering NOCTI examinations in Palau.

SAN DIEGO STATE UNIVERSITY PROGRAMS

The Bachelor of Arts in Liberal Studies program is offered in collaboration with the Center for Pacific Studies at Interwork Institute/SDSU, the Undergraduate Division at SDSU and Palau Community College. This course of study is designed to provide knowledge in multiple subjects to elementary and secondary educators.

The Masters of Arts in Education with a concentration in Educational Leadership is offered in collaboration with the Center for Pacific Studies at Interwork Institute/SDSU, the Department of Administration, Rehabilitation, and Postsecondary Education within the College of Education at SDSU and Palau Community College. This course is designed for Education and Human Services Professionals desiring to earn a graduate degree focusing on leadership and administration.

These programs are specifically designed and delivered to accommodate the working adult. All instruction is delivered on island or through distance learning.

PACIFIC ISLANDS BIBLE COLLEGE (PIBC)

Pacific Islands Bible College (PIBC) is a Christian college offering certificates, diplomas, or degrees in biblical study. Working in collaboration with Palau Community College, PIBC's Palau Extension office is located on the PCC campus and uses PCC's facilities for its courses. Extension students in Palau can take their general education and elective requirements at PCC. PCC students can take certain PIBC courses to meet their program requirements.

TRIO Programs

EDUCATIONAL TALENT SEARCH. The Educational Talent Search program is one of the four branches of the TRIO Program, a US Department of Education program, being hosted by Palau Community College for five years, from SY 2002 to 2007. The program 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.

UPWARD BOUND: A program for selected College Bound High School Students (9th - 12th grades) to help prepare them to enter and succeed in a Postsecondary Education Program.

UB MATH & SCIENCE: A program for selected college bound high school students (9th to 12th grades) to help strengthen their math and science skills. The program goal is to help the participants recognize and develop their potential to excel in Math & Science and encourage them to pursue post-secondary degrees in the fields of math and science.

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.⁹ 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.

More adults are looking for ways to upgrade and expand their skills in an effort to improve or protect their economic position. The transformation of the regional and global economy over the past several decades has put a premium on an educated workforce. The industrial economy of the early 20th century has given way to an information and service economy that demands higher levels of

⁹ Information of Ministry of Education accessible at <u>www.palaumoe.com</u>

academic and technical knowledge, as well as other skills such as good communication and problemsolving abilities. The ability to access education and training is critical to current and future generations of adult workers seeking higher wages and a better quality of life.

Postsecondary degrees and certificates have become critical even for workers in the lower and middle tiers of the labor market. Adult learners face significantly different challenges to completing an education program than students who enroll in college immediately after high school, depend on their parents financially, and work part time or less while in school. The four consistent and powerful barriers identified that prevent further education for working adults are:

- The lack of time to pursue education;
- Family responsibilities;
- The scheduling of course time and place; and
- The cost of educational courses.

These obstacles pose challenges to both access to college credential programs and to persistence and success, particularly for students who work full time and attend college part time. Non-traditional students are students with any of seven characteristic risk factors:

- •Delayed enrollment in postsecondary education beyond the first year after high school graduation;
- Part-time attendance:
- Financial independence from parents;
- Full-time work;
- Having dependents (other than a spouse);
- Being a single parent; and
- No high school diploma (or GED).

Students who fit only one of these characteristics have always been labeled "minimally non-traditional," those who fit two or three were "moderately non-traditional," and those with four or more were "highly non-traditional." Although not all non-traditional students are adults (many 18-21 year olds meet at least one of the seven criteria). All adult college students are by definition non-traditional. Financially independent, working full time, with dependents and family responsibilities to juggle, and back in school after an extended time out—adult learners are at great risk of not achieving their postsecondary education goals. While adult learners face significant barriers to access and success, some segments of postsecondary education have been more responsive to their needs and interests. Not surprisingly, given the preponderance of adult learners who are looking for maximum labor market benefit from shorter courses, institutions that grant vocational and technical certificates and degrees are attracting the largest numbers of adult learners, rather than traditional four-year baccalaureate institutions.

The workforce, education, and economic partners that include its only college, Palau Community College seeks to accelerate the educational and economic advancement of youth and adults in Palau's economy. The strong partnership of leaders in education, business, government, and communities around the island nation work together to strengthen opportunities for youths and adults to succeed in postsecondary learning and high-skill careers; increase opportunities for low-income individuals

to move into family-supporting careers; and meet the growing economic demand for knowledgeable and skilled workers.

As shown in the 2005 Palau Census on Population and Housing total number of persons 18 years and over is 9,258. Total number of non-high school graduates is 3,231 or 34.9% and high school graduates are 6,027 or 65.1%. Those individuals who have had training in high school – 1,959; training at Palau Community College – 1,069; no training – 3,115. Numbers of individuals in education training ranks the highest followed by liberal arts/political science, business, accounting, electrical technology, with agriculture and construction at the lowest number. Of the ¹⁰14,755 (16 years and older), 10,203 or 69.1% were in the labor force with 9,777 employed; 426 unemployed; 4,552 not in labor force; and 71 institutionalized. It also shows total persons 3 years and over enrolled in school at 5,017 with those in preprimary school at 469; elementary school (1-8) at 2,964; high school (9-12) at 1,039 and college at 545.

The School-to-Work system, an existing statute of the Republic, mandates integration of academic components to the workforce system envisioning a strong economy. Through collaborative efforts, about 80 percent of all high school graduates from the public and private schools enroll at Palau Community College. Palau Community College and the WIA Office through strong collaborative partnership have established a policy that requires all workforce activities within the College to have an academic component. Any workforce participant enrolling in Palau Community College for any type of workforce activities and funded in part by WIA Title I Funds is required to enroll in either adult high school (if the individual does not possess a high school diploma) or college to acquire necessary academic skills requisite of a specific occupation. The State Board with representations from the Chamber of Commerce and Belau Educators and Employers Alliance as well as Society for Human Resources Management work collaboratively to establish cross-policy for serious utilization of resources in the Republic toward talent development of potential employees and incumbent workers within their businesses and respective agencies.

Migration of employable population, born either in Palau or outside of Palau, is becoming an issue for the workforce investment system. Statistics from the Palau 2000 Census shows that a total of all persons migrating are 13,303. Of this number, 8,513 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 are 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.

¹⁰2005 Palau Census on Population and Housing

Table 5.2a Labor Force Participation by Sex and Dirthplace 2005

					Place of Di	rh		
		Tota		Palau	USA, Guam,			D35
Calini Force Status	Title	Palan	Litter	Bust	CIMA	PSM	Ania	where
Fotal, 16 yra & over	14,755	9,520	4,753	4,767	422	363	4,167	200
In Labor Honce	17,273	5.015	2821	2800	240	210	3,364	203
Penseur of 1f yes Come	3.51 3	29, 5	594	20.0	58.3	270	037	71.7
Employed	9,777	5,320	2,367	2,954	324	(43)	3 (50)	189
Unemployed	11.35	dibb	15/1	201	22	31	11	্ৰী
Repeat of later force	55.3	63	5.5	70	80	17.8	0.4	2.0
Yot in Lagor Force	4.00c	文学中	1232	1.952	1/5	269	203	3.)
Valer, 16 yer & over	\$ A76	4,339	2,406	7,433	229	187	2 61 1	208
In Labor Force	5,214	3.233	1,564	1,675	159	其么	2,535	101
Forces of 16 yes 5.6 yes	10.1	00.J	250	58.8	62.4	34.1	905	87.0
Ennologies	5,987	3,047	1,483	1,584	27	27	2.552	179
Unampleyed	232	192	0.1	111	57	70	3	2
libration of letter force	3.7	5.3	2.2	0.0	2850	180	0.5	7.1
Not in Labor Force	1,002	1,500	342	738	-70	63	(11)	27
Formales 15 yrs & over	6,670	4.581	2341	2,534	150	1/8	1.00 £	/3
h Labor Fince	3,950	2,437	1,257	1.180	27	74	1,369	22
Percent of 1 Cyra Sover	255.0	52.1	506	50.6	25.1	216	002	29.0
Employed	3,/05	2,2/4	1,184	1,1330	82	61	123	20
Une played	194	1四	73	90	'5	13	(1)	2
Percent of lebar force	35,3	6.7	50	7.6	5.7	17.6	0.L	9.1
Mot in Labor Force	2,630	2,241	1,090	1:154	9.00	134	183	53

Source: 2005 Centus of Population and Housing, table 81, Republic of Paleu

Table 5.6 a Employed Population by Class of Worker, Age Group and Sex. 2015

						AL	ÆGROU	P				
Class of Worker	Tua	5 19	20 21	20 29	34 34	35 39	10.40	45 19	50 51	55 59	50 64	64+
Total, 18 yes & over	9,777	76	88.2	1,243	1,5 50	1,655	1,574	1,254	890	459	2:05	193
Power way eard salary apsecs	5,845	56	500	8.87	1047	1,073	886	164	376	FF.6	81	7.5
Grove innerit winkers	1,388	-	440	379	4.73	524	596	263	452	21.9	an.	50
Editorially of Yellion	520	343	15	25	25	51	50	13	55	51	35	72
Lispad family workers	11	1		1		ž	2	R		1		Ü
Male, 16 yrs 8 over	5,902	49	4)1	702	9/39	1,032	970	751	519	21	110	100
Fireta wag dard as bry vin ficin	3,885	35	208	5.85	630	712	553	388	213	12.4	56	44
Glover nament workers	2,009	198	90	171	268	290	353	316	27.5	152	Œ	44 ≱1
Seferaloyed volkes	282	ঝ	13	22	.1/4	29	63	44	35	24	15	22
Unpaid family makers	6	-	.50	(1)	:5	3	#	10	.:	-		25.
Ferrale 15 yrs & over	3.795	20	251	468	38.6	623	604	199	3/1	168	8/	93
Finds way eard salary notices	2,992	23	228	3,32	3.33	543	535	276	157	72	Œ	27
Government volkers	379	4	50	155	237	234	243	(5)	18 (27	21	18
Safergloyed wikes	347	*	ã	4	11	22	27	79	11:3	35	24	50
Cispad ta m/y workers	å	*	100	=	:		8	3		*5	14	0.00

Shares, 2005 Census of Repulsion and Housing, table 70, Republic of Pales

Table 5.10d Foreign Workers with Work Permit by Sex and Nationality, 2006

	Total	Male		Ferrale		Change
Country	Number	Number	잼	Number	%	in 2000
Total	3,970	2,418	60.9%	1,5.52	39.1%	7.63
North America	35	27	77.1%	8	22.9%	45.85
USA	33	27	81.5%	£	18.2%	43.59
Carradia	2		0.0%	2	100,0%	100.05
Aa ia	3.904	2370	60.7%	1,534	39.3%	7.35
Bangladean	343	340	991%	3:	0.9%	23.89
Pavistan	41	(4)	10 0.0%	:#4	0.0%	0.05
China	540	248	48 199	291	53.9%	-18.19
India	23	23	100.0%	125	0.0%	475.0
Indonesa	96	91	94.8%	5	5.2%	-30.49
Jacan	153	53	573%	44	427%	12.0
Korea	29	18	621%	-11	37.9%	61.15
Malaysa	2	-	0.0%	2	10.0.0%	-33 35
Myanmar	8	5	62.5%	3	37,5%	0.01
Nepa	35	25	74.3%	9	25.7%	45.89
Philopass	2,641	149	56.5%	1,15	43.5%	13.95
Sr Lanka	971	1	10 0.0%	4,5-4)	0.0%	0.09
Tayen	75	63	84 0%	42	16.0%	-16.7
Thelend	7	3	42.5%	4	57.1%	-50.05
Europe	13	6	46.2%	7	5 3.8%	-27.89
Austria			0.0%	100	0.0%	0.0
Italy	1.5	-	9.0%	-	0.0%	0.05
Brtan	-3	2	86.7%	4	5.3.5%	-40.01
Denmark		*	0.0%	4	29%	(0.05
France	ং জ	r W	100.6%		0.0%	0.03
			0.0%	3.4	0.0%	0.03
Georgia	1 2		100.0%	1 mars	0.0%	79.01
Germany	1	30		12°		
Netherland	2	19	50,0%	4	50.0%	0.05
Poland		19	0.6%		100.0%	0.0
Russa A	4	196	0.0%	4.	100.0%	100.05
Sveden	약 -	1	10.0.0%	-	0.0%	0.03
O ceania	12	10	8 3.3%	2	16.7%	33.35
Australia	:4	4	100.6%	: <u>*</u>	0.0%	33.35
Ne viZealand	1 m2	(#) (a)	0.6%	200	0.0%	0.0
F.	2	40	50.0%	4	50.0%	0.05
FSM	5	5	83.3%	1.	187%	20.05
Africa	4	3	75.0%	1	25.0%	10 0.05
Sudan	51	-	0.6%	.e.	0.0%	0.0
Other Africa	4	3	75.0%	1	25.0%	100.0
Middle East	10	3.	10 0.0%		0.0%	0.03
5:88	4	31	100.0%	(Z)	0:0%	0.05
Cent'l America	E:	:	0.0%	.25	0.0%	0.03
Balz	0.00	000	0.0%	(●)	0.0%	0.03
Latin America	1	1	10 0.0%	-	0.0%	0,05
Bea	160	(le-	0.0%	:#4	0.0%	0.03
Cosa Rica	.5	.5	0.0%	-	0:0%	0.09
Palau WIA 2012-2	01 6 D1	1	100.0%	15	0.0%	0.01

Palau WIA 2012-2016 Plan
Source : Division of Labor, Ministry of Commerce and Trade, Republic of Palau

Table 5.1a Population, Age 16 years and over, by Subsistence Activity and State of Residence. 2604

State of Residence	Total	Growing Grope	Flat ing	Raleing animals	Making handle aft
Total, 16 yea & over	14,756	918	933	3.22	190
Aimelik	193	24	15	*	
Aro	2,152	1.53	150	/4	5
ângavr	277	8	6	4	2
lethote	30	1921	4		~
flayargo	1.30	45	18	14	16
Keerr	9,482	274	250	54	79
Weldwedt.	208	A.	62	11	10
Ny areast	435	79	46	Z	9
Spannergui	217	40	46	1	2
Ne archolong	335	46	35	12	12
Ng ardinau	12	20	41	-	3
No.atpang'	342	74	107	.54	77
No dricsor	11.82	43	20	15	11
Notived	1 70	70	27	1	4
Toldiu	477	81	103	64	14
E DYSS FOE	66	16	12	10	1

Doulce: 2000 Census of Population and Housing, table 16, Republic of Palau

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

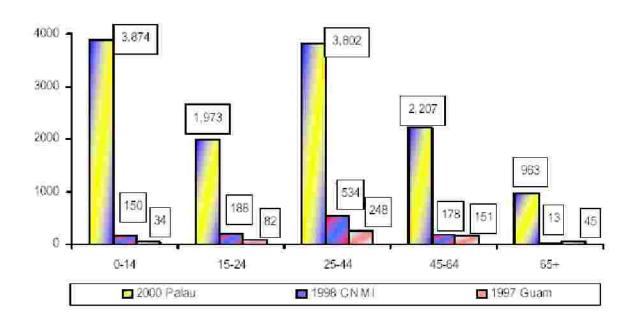


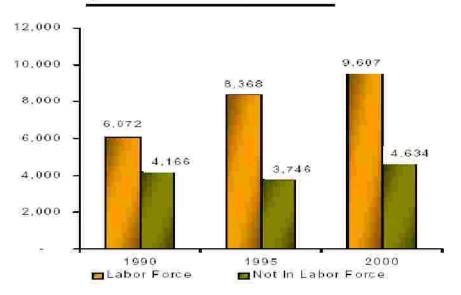
Table 3.7 Labor Force Participation of Palau-born Population in Palau, Guam and CNMI: 1990/2000 & 1997/1998 1997 Guam 1998 CNMI 2000 Palau 1990 Censuses of Survey of Survey of Palau, Guam & CNMI Census Micronesians Micronesians Labor Force Participation Total Palou Guam CNMI Palau Guam CNMI Total, 16+ yrs 10,146 7.874 1.118 1.154 8,680 521 900 4,583 2/9 621 In labor targe 5.524 4.161 648 815 70,5 52.8 Persent 55.4 52.8 59,0 53.6 69,0 Males, 16+ yrs 4,398 238 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 77.5 Females, 161 yrs 5.099 3 820 650 6520 4.282 283 450 In Tabor force 2.375 1 658 309 408 1.967 116 281 Recent 46.6 47.5 45.9 41.0 61.2 43.3 65.8

Sources. 1990 Censuses of Palau. Quam & CNMI, 2000 Palau Census, table 81; 1997 Quam and 1998 CNMI. Survey's of Micronestans.

Migration of employable population, born either in Palau or outside of Palau, although slowly decreasing, continues to be an issue for the workforce investment system. Statistics taken from the Palau 2005 Census shows that a total of all persons migrating are 6,043. The number one reason for the migration is employment at 4,231; 322 migrating students attending school; and 94 in the military.

4,500 -				
4,000 -				□Employment
3,500 -				■ Students
3,000 -				■Military
2,500 -				■ Spouse
2,000 -				■Dependent
1,500 -				Family member
1,000 -				■ Missionary
500 -				,
0 ¬	ı	Ī	ı	□Others

Figure 5.2 Labor Force Participation: 1990-2000





Source: 2005 Palau Census on Population and Housing

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 and demand-driven workforce system an important priority. Meeting the workforce needs of business and industry and improving Republic's business climate are still 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 collaborate to serve the customers in a demand-driven system with quality training and educational opportunities toward a developed, improved, and sustainable economy.

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 and allowable administrative use. Five percent of the adult and youth funds will be used for applicable and allowable 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 five 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 President Remengesau and will continue to serve as a 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 2005 Palau Census of Population and Housing 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 2005 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 2005 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. Continuation of the connection from educational programs to post-secondary education is a primary goal of the workforce and education partners, specifically the WIA Office and the Palau Community College through an established policy.

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:

Managerial and Professional Specialty Technical, Sales, and Administrative Support Service Farming, Forestry, and Fishing Precision, Production, Craft and Repair 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.

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 though:
 - (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, adopted, and certified policies that are 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.

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, adopted, and certified 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 that is the Adult Literacy Program administered by the Ministry of Education and the program is operated in compliance with 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 six years, Palau has had only five major company closeouts. With this history and limited industry in mind, Palau will look toward 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 this modification planning process for additional years of services to the Two-Year Plan, the State Board conducted two 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 process.

Although Palau does not have an apprenticeship program through the Bureau of Apprenticeship training, the WIA Office and the Palau Community Action Agency have entered into an agreement beginning July of 2004, to partner and fund an apprenticeship program through the Civic Action Team (Rotation of Navy, Army, and Air Force personnel) based in Palau. The President and the State Board are seriously looking into starting a statewide apprenticeship program with the assistance of the Bureau of Apprenticeship under the U. S. Department of Labor. As plan and strategies are put in place, a policy shall be developed to ensure that partnership between all agencies involved in the apprenticeship program will be effectively utilized and integrated into the current education and workforce investment systems.

Palau no longer receive SCEP (Senior Community Employment Program) grant, however, WIA Office and the State Board through collaborative partnership with the Palau Aging Program shall continue to enroll and provide workforce and talent development activities to identified and eligible program participants.

<u>Desired Outcomes</u>: The Integrated Workforce Plan must describe and provide specific quantitative targets for the desired outcomes and results for the programs included in the plan. Table 1 may be used for WIA/W-P programs. The plan should also describe any additional established indicators and system measures, beyond those required by programs' authorizing statutes. (WIA Sections 112(b)(3), 136(b)(1)(A)(ii), (b)(2)(C), 20 CFR 666.110, 666.120(g), 666.300.)

In addition to the state's program performance goals, the state may also discuss the other goals it intends to achieve. Does the state examine broader economic and social indicators? For example, is the state attempting to increase the percentage of workers employed in family wage jobs; increase earnings to support a better quality of life; increase the number of employers with job opportunities; or increase high school and college graduation rates as metrics? In sum, the state should describe its desired results for the state workforce investment system and the metrics is it using to measure those results.

Table 1
Palau WIA Performance Indicators and Goals

	Previous	Performance
WIA Requirements at Section 136(b)	Year Performance	Goal
Adults:		
Entered Employment Rate	74%	50%
Employment Retention Rate	74%	50%
Average Six-Months Earnings	\$200	\$200
Dislocated Workers:		
Entered Employment Rate	74%	50%
Employment Retention Rate	74%	50%
Average Six-Months Earnings	\$200	\$200
Youth, Aged 19-21:		
Entered Employment Rate	48%	30%
Employment Retention Rate	48%	30%
Six-Months Earnings Change	\$200	\$200
Youth, Aged 14-18:		
Skills Attainment Rate	48%	35%
Diploma or Equivalent Attainment Rate	48%	35%
Retention Rate	25%	20%
Youth Common Measures ¹		
Placement in Employment or Education	50	50
Attainment of a Degree or Certificate	20	20
Literacy and Numeracy Gains	50	50

Section II. State Operational Plan

<u>Overview of the Workforce System</u>: The State Operational Plan must present an overview of the workforce system in the state.

Organization – The overview must describe organization and delivery systems at the state and local levels for the programs covered in the plan, particularly how this organization effectively supports the coordination and alignment of the state's workforce programs and supports integrated service delivery. The overview must include a description of the key state administrative personnel of the programs described in Section I of the Integrated Workforce Plan, and the organizational structure and membership roster of SWIB members and their organizational affiliation.

State Board – The State Operational Plan must describe how the SWIB effectively coordinates and aligns the resources and policies of all the programs included in the plan, and specifically, must include the following items related to the SWIB:

- o How the board collaborated in the development of the plan, and how it will collaborate in carrying out the functions described in WIA Section 111(d). (WIA Sections 111(a), (b), (d), 112(b)(1); 20 CFR 661.205.)
- o How the SWIB member who represents Vocational Rehabilitation (VR) will effectively represent the interests, needs, and priorities of the VR program and how the employment needs of individuals with disabilities in the state will be addressed. (Only applicable to states which: (1) do not have the state VR agency director on its SWIB; or (2) in cases where the state uses an alternative entity as its SWIB, that entity does not provide for representative membership by individuals in these categories as required by WIA sec. 111(b), (WIA Sections 111(b)(1), 111 (e), 112(b)(8)(A)(iii), W-P Section 8(b), Rehabilitation Act Section 101(a)(2)(B), 20 CFR 661.200(i)(3), 661.205(b)(1), 661.210(c).)

Local Areas – The State Operational Plan must also describe the WIA title I local workforce investment areas in the state, including:

- o An identification of local workforce investment areas designated in the state, and the process used for designating local areas. (WIA Sections 111(d)(4), 112(b)(5), and 116(a), 20 CFR 661.205(d), 661.250-.270.)
- o The designation of intrastate regions and interstate regions, as defined in 20 CFR 661.290, and their corresponding performance measures. For interstate regions, describe the roles of the respective governors, and state and local workforce investment boards. (WIA Section 116(c).) States may also discuss other types of regional structures here.
- ? Operating Systems and Policies Supporting the State's Strategies: The State Operational Plan must describe:
- o State operating systems that support coordinated implementation of state strategies (e.g. labor market information systems, data systems, communication systems, etc.). (WIA Section 112(b)(8)(A).)
- o State policies that support the coordinated implementation of the state's strategies. (WIA Section 112(b)(8)(A).)
- o How the delivery of services to jobseeker customers and employer customers, including Registered Apprenticeship sponsors, will be aligned across programs. (WIA Sections 111(d)(2), 112(b)(8).)

- <u>Services to State Target Populations</u>: The State Operational Plan must describe how all the programs described in the plan will work together to ensure that customers who need a broad range of services receive them. This is an opportunity for the state to describe how One-Stop Career Center services will address more specific needs of targeted sub-populations identified in the economic analysis. The State Operational Plan must describe how the state will:
- o Serve employment, re-employment, and training needs of unemployment compensation claimants; the long-term unemployed; the under-employed; dislocated workers (including trade-impacted dislocated workers and displaced homemakers); low-income individuals (including recipients of public assistance); migrant and seasonal farmworkers; veterans; individuals with limited English proficiency; homeless individuals; ex-offenders; older workers; individuals training for nontraditional employment; and individuals with multiple challenges to employment. (WIA Sections 112(b)(17)(A), (b)(17)(B), (b)(8)(A), 20 CFR 652.207, 663.600-.640, 29 CFR part 37.)
- o Serve the employment and training needs of individuals with disabilities. The discussion must include the state's long-term strategy to improve services to and employment outcomes of individuals with disabilities, including plans for the promotion and development of employment opportunities, job counseling, and placement for individuals with disabilities. (W-P Section 8(b); WIA Section 112(b)(17)(A)(iv), 20 CFR 663.230, 663.640, 667.275(a).)
- o Deliver comprehensive services for eligible youth, particularly youth with significant barriers to employment. (WIA Section 112(b)(18)(A).) The discussion must include how the state coordinates youth activities, including coordination of WIA Youth activities with the services provided by the Job Corps program in the state. Job Corps services include outreach and admissions, center operations, and career placement and transition services. (WIA Sections 112(b)(18)(C), 129.)
- Services to Employers: The State Operational Plan must describe how the state will coordinate efforts of the multiple programs included in the plan to meet the needs of business customers of the One-Stop system in an integrated fashion, such as hiring plans, training needs, skill development, or other identified needs. The State Operational Plan should also describe how the state will use program funds to expand the participation of business in the statewide workforce investment system. (WIA Sections 111(d)(2), 112(a), 112(b)(8), 112(b)(10), W-P Section 8, 20 CFR 661.205(b)(1).)
- WIA Single-Area States Only Additional WIA Title I Requirements: In states where there is only one local workforce investment area, the governor serves as both the state and local chief elected official. In such cases, the state must submit with its State Operational Plan any information required in the local plan. Therefore, states with a single workforce area should also include in their State Operational Plan:
- o Any comments from the public comment period that represent disagreement with the Plan. (WIA Sections 118(c)(3), 112(b)(9), 20 CFR 661.220(d), .350(a)(8).)
- o The entity responsible for the disbursal of grant funds, as determined by the governor, if different from that for the state. (WIA Section 118(b)(8), 20 CFR 661.350(a)(9).)

o The type and availability of WIA title I Youth activities, including an identification of successful providers of such activities. (WIA Section 118(b)(6), 20 CFR 661.350(a)(7).)

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

ADMINISTRATION AND OVERSIGHT OF THE WORKFORCE SYSTEM, INCLUDING SERVICE PROVIDERS

A. Provider Selection Policy

The following inventory of community resources is not meant to list all service providers, rather, it reflects potential service providers that then JTPA and now WIA Office has relied on in the years of these programs and will continue to use in the future for delivery of workforce activities and services.

Private Sectors (Members of Chamber of Commerce or Belau Educators and Employers Alliance)

Airai View Hotel

Bank of Guam

Bank of Hawaii

Bank Pacific

Belau Medical Clinic

Belau Transfer and Terminal Company

Blue Bay Petroleum

Budget Car Rental

Calvo's Insurance

CARP Corporation

Cliffside Hotel

Computers Plus

Continental/United Airlines

Deloitte and Touche Accounting Firm

Delta Airlines

Dengokl & Nakamura Attorneys At Law

DHL/Republic Express Inc.

Did ra Ngmatl Mobil Gas Station

DIAZ Enterprise

Family Surgical Clinic

Far Eastern Air Transport

Fish 'N Fins Dive Shop

Galaxy Construction Company

Gibbons Enterprises Corporation

HANPA Industrial Development Corporation

Hawaiian Belau Rock Corporation

I-A Belau Company

Imperial Palau (IMPAC) Tour Company

Island Times

Japan Airlines

JR Company, Inc.

J Scott Magliari & Company, CPA Firm

KB Gas Station

King's Enterprises

Korean Airlines

Koror Wholesalers

Kumangai Bakery

Law Firm of Carlos H. Salii

Law Firm of J. Uduch Senior

Law Firm of Oldiais Ngiraikelau

Law Firm of Salvador Remoket

Marina-Landmark Hotel

Masami Asanuma Enterprises

Melekau Insurance Agency

Midtown Express Tire & Lube

Morita Corporation Palau, Inc.

Moylan's Insurance Underwriters

MY Publication/ Tia Belau News

NECO Group of Companies

Okemii Deli

Pacific Pest Control

Pacifica Development Corporation

Palasia Hotel

Palau Equipment Company Inc.

Palau First Fidelity Financial Inc.

Palau International Traders Inc.

Palau Modekngei Cooperatives Incorporated

Palau Pacific Resort

Palau Royal Resort

Palau Taxi Drivers Association

Palau Shop

Papago International Resort

Penthouse Hotel

PIDC Wholesale

Polycarp International Enterprise

PRA Computer Sales and Service

Rechucher John K. Law Firm

Ridpath Law Firm

Roll 'em Productions

Sea Passion Hotel

SHIMBROS International Inc.

SPACO Finance

S & S Enterprises

Sun's Flower Shop

Surangel and Sons Company

Topside Blue Bay Gas Station

Western Caroline and Training Company

Public Sector and Semi-Public

16 States of the Republic

National Government

Boards and Other Agencies

Palau Civic Action Team

Palau Community Action Agency

Palau Community College

Palau National Communications Corporation

Palau Public Utilities Corporation

Palau Water and Sewer Corporation

Community-Based Organizations
Coral Reef Research Foundation
Palau Conservation Society
Palau International Coral Reef Center
Palau Red Cross Society
Society for Human Resources Management
The Nature Conservancy

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 a project or program application to the WIA Office that includes information pertaining to:

Effectiveness and ability of the agency to deliver comparable services required under WIA Specifies equitable budget for the program

Past performance of delivery of quality services and effective training

Fiscal accountability with regards to financial transactions, records keeping and maintenance

Proposed training and services is not a duplication of already existing facilities or services

Provides vocational and/or educational opportunities

Assurance of delivery services to ensure that participants attain competencies set by the State Board

Assurance that youth service provider shall adhere to set youth training policy

Guarantee of placement in such occupations for OJT and Customized training participants

Ability to coordinate activities with State Board WIApartners

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:

Program information, including the program completion rate for all individuals participating in the applicable program conducted

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

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:

Percentage of completers placed in unsubsidized employment

Retention rates in unsubsidized employment, 13 weeks after the day of employment

Wages of participants, after first day of employment

Rates of licensure or certification, if applicable, for those who attained academic degrees, or other attainment of measurable skills, and

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 participating agency.

The State Board and WIA Office has developed a 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:

Out-of-school youth (and those most at risk of dropping out)

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.

The State Board through the WIA Office and its staff when conducting monitoring visits to service providers outside of Koror, an in-depth discussion of a given program takes place between the WIA Offices staff and a Board member with a participant as well as the supervisor. The discussion allows the WIA staff/ State Board member to ensure that training is being conducted in accordance with the activities set forth in the project proposal as submitted and currently funded by the State Board. There has not been any major finding that requires significant correction action of any programs under the WIA programs during the past several years. The new policy of Certifying Local Masters that has been adopted by the State Board allows a WIA designated staff to provide capacity services to the Local Master in developing a system of identifying and certifying significant skills, preparing timesheets, and assistance in preparing any written document, as deemed just and appropriate.

As part of continuous improvement strategies and in line with limited resources, the State Board through its partnership with the Palau Community College worked with Small Business Development Center setting up workshops in accounting and entrepreneurship training for WIA service providers to ensure that accountability of WIA training funds and required training regulations are in compliance. Funding for these training are discussed among the partners and shared according to availability of resources.

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.

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) including 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 barely 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 that have been established among the partners clearly spell out methods of providing collaborative services and referrals of customers within 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, and will continue to improve and use the revised and adopted policies with required technical amendments and revisions complying 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.

Referrals of customers between the workforce partner agencies of WIA Office, the Palau Community College, the Ministry of Health, the Chamber of Commerce, and the Belau Educators and Employers Association (aka Belau Educators and Employers Alliance) are as follows:

In the absence of Employment Service, the WIA Office usually receives a workforce customer first. Upon registration, assessment, and Individual Service Strategy (ISS), and based on the needs of the customer recorded in the ISS, referrals may be made. Those customers whose assessed needs require high school diploma or equivalence are then referred to either Palau Community College Adult High School or the Ministry of Education's Adult Literacy Program or GED. Referrals are made directly with each office through telephone calls and periodic meetings. Copies of application form and all necessary documentation of entering into any of these two programs are provided to the WIA Office and so recorded in the ISS. Follow-ups of the customers are made periodically and records maintained in the WIA Office.

Referrals of customers between the WIA Office and the Chamber of Commerce or the Belau Employers and Educators Association or Alliance (BEEA) are made through their respective offices. If a workforce customer needs immediate employment and has been assessed to possess qualifying skills, the WIA Office then refers the customer directly to the Office of the Chamber of Commerce or the contact person of BEEA for continued services and immediate placement. The WIA Office will make periodic follow-ups to ensure that the customer has received all needed services and will record the services on the ISS, and will continue to make follow-up services for a period of one year. In the event a customer applies directly with any of the companies under the Chamber of Commerce the BEEA, and is found to require further training before they can be hired, the individual may be referred for development of an employment plan and all other appropriate workforce services at the WIA Office.

Each partner agency will have their own application forms, however, a common and expanded part of the application will be provided to identify the needs of the customer and to further eliminate duplication of services and reduce paperwork. At the same time, this process of serving the customers will better connect the customer to the entire workforce and education systems.

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 requiring improvement, it is so noted and service provider is informed of the essential corrective actions and a period of time for follow-up.

Steps in Monitoring Process: State Workforce Policy No. 07-025-2000 sets forth the process for which oversight and monitoring reviews occurs:

- 1. Notification: The State Board's Executive Committee functions as the Local Board and oversees WIA Office, the administrative entity receiving WIA funds. Notification of on-site monitoring reviews will be given ten (10) or more working days to service providers and participants before each review or monitoring visit. A Desk Review shall be conducted within the WIA Office before Notification of Monitoring Visit or Review is conducted. This is a method of checking and ensuring that the collection and compilation of information contained in the service provider (s) and participant (s) files provide required data to enable monitoring process of the programs. The information that should be analyzed and assembled prior to performing an on-site visit/review include program or project proposal, program contract, and participants' complete files with all the required document sources, and any corrective action plans from previous monitoring visits. The monitoring visit or on-site review include entering sites or premises to examine program and fiscal records, question employees, and interview participants.
- 2. On-Site Review: Monitoring Reports/Documentation: The WIA Office provides to the service providers and participant (s) worksite performance report forms during on-site review. A separate monitoring form report is completed during each visit by the Monitoring Officer and certified by the Executive Director and State Board member and kept in the service provider's file and maintained in the WIA Office. Any discrepancies or findings are recorded in this form and a copy is given to the service provider and participant no later than a week (five working days) after each monitoring visit.
- 3. Monitoring Report: Monitor review working papers shall be established during the review and maintained at the Palau WIA Office. A monitor report will be issued within fifteen (15) working days of the completion of the review and it shall be published in the following format: Scope of Review; Limitations (if applicable); Findings and Recommendations; Corrective Action, if required; and Summary. Copies of the report will be dispensed to the following: Chairman and members of State Workforce Investment Board and SWIB's Executive Committee.
- 4. Resolution or Completion: The monitor review or visit is completed or resolved if corrective action is not required.

- 5. Corrective Action: The WIA Office will issue a corrective action plan to the service provider within fifteen (15) days of the monitoring visit or on-site review that requires corrective action. The corrective action plan shall identify the action that the service provider will initiate to correct the problem, the estimated date the problem will be resolved, and how the WIA Office, the SWIB's Executive Committee and the State Board shall be involved in addressing this issue.
- 6. Acceptance of the Corrective Action Plan: The State Board through the WIA Office shall notify the service provider of the acceptance or rejection of the corrective action plan within ten (10) working days of the receipt of the plan.
- 7. Progress Reports: The SWIB's Executive Committee may choose to require progress reports from the WIA Office for some corrective action plans. The acceptance notification will indicate if and when progress reports are required.
- 8. Further Action: At the discretion of the State Workforce Investment Board and its Executive Committee, additional or follow-up monitoring visits or reviews may be conducted to ensure full implementation of the corrective action plan.
- 9. Fiscal Controls/Sanctions: In the event SWIB's Executive Committee and/or WIA Office fails to take required corrective action for substantial violation of standards, sanctions and fiscal controls will be imposed according to Sections 184(b) and (c). These actions may be appealed to the Secretary of Labor in accordance with Section 184(b)(2).
- F. Grievance Procedures. (REFER TO ATTACHMENT "C")

G. Additional State Policies

The State Board has made appropriate revisions to existing state workforce investment policies pertaining to the delivery of effective workforce investment activities and services. These and all state workforce policies have all been reviewed and adopted by the State Board. 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. Per Training and Employment Guidance Letter 22-06, this policy has been modified to allow transferring of funds between the two funding streams to twenty percent. To date, there are a total of 35 active state workforce policies that have been duly adopted and certified by the State Workforce Investment Board.

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:

Information of available workforce services and programs

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

Listing of program applications submitted by workforce service providers

Intake process starts when a customer wishes to receive formal WIA services:

Registration starts when a customer has brought required documents to the WIA Office

A completed intake form is then forwarded to the WIA Executive Director for eligibility verification and certification

A certified eligible WIA customer then starts process of an ISS or an Employment Plan

A customer may be referred to any of the workforce partner for other needed services that are not available through the WIAOffice

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 a 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.

Workforce customers are monitored on a monthly basis once a workforce activity commences. The monthly monitoring visit of a workforce participant is performed by WIA staff and State Board member(s). A workforce participant is exited based on the type of activity received. A participant who has completed all services within the ISS shall be exited after a period of ninety-days if there are no other activities or services received within this period. Follow- up services, including counseling

regarding the workplace for a participant in workforce investment activities that entered into unsubsidized employment, shall be performed not less than 12 months after the first day of the employment, as appropriate.

B. Workforce Information

Palau is a small island nation and a single service delivery area with population of less than 20,000 and limited number of 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 and other pertinent information are available at www.palaugov.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.

As part of the vision for a demand-driven workforce, educational, and economic systems, labor market information within the regional economies of Guam (Department of Labor) and Hawaii (Job Bank of America and through PREL Office) as well as the US Mainland can be accessed through the Internet as part of the core and intensive services provided by the WIA Office.

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.

Eligibility of individuals to workforce services funded under the Workforce Investment Act Title I-B programs are stated in established state workforce policies. The State Board has revisited the workforce policies and has incorporated and revised the policies to include veterans and their spouses who meet the WIA eligibility requirement, to fall under the category of priority customers of workforce services. All state workforce policies have been adopted and certified by the State Board.

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 in 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

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

As discussed within this Plan, Palau does not receive NEG or Trade grants. WIA participants are tracked using the Pacific WIASRD system and, hopefully, in the very near future automated WISPR system that will be used to report programs and activities on a quarterly basis to the Region 6 San Francisco ETA Office, and on an annual basis to the Office of the President of Palau, and the Palau's National Congress.

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 to incorporate all required youth components, have been revisited, amended, adopted and certified by the State Board. The general flow of WIA youth customers will start at Intake and after all required documents have been submitted to the Intake Staff shall then be certified of their eligibility to workforce activities by the Executive Director. The eligibility determination and certification that follows is inclusive to identified barriers and family income level.

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

The State Board, 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 WIAperformance 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 or Alliance 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 140 individuals from the Adult High School, since its inception in 2000 and successful training and placement of approximately 370 College intern participants to unsubsidized employment.

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 development of talent and skills 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. The Church groups from religious organizations in Palau do not posses federal requirements to allow applying for Faith-Based Grants. 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 and extending to the U. S. Mainland Centers. As a 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. ¹¹As of today, there are 108 Palauan young people enrolled and attending Job Corps programs in the United States. These programs are designed to train young people to become productive citizens.

The State Board, the Executive Committee/Local Board, the Youth Council, and its workforce partners, in joint efforts, will continue to 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

¹¹ SORA (State of the Republic Address) May 2012

Statistics. Employer needs are also collected through periodic surveys. Job vacancies and talent development opportunities from all the agencies are posted at the WIA Office bulletin board for workforce customers.

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. Through job search at WIA Office, customers are able to access the Internet for jobs in Guam (through recently developed Department of Labor website), Hawaii, nearby regional job markets as well as the United States Mainland.

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.

The WIA Office administering WIA Youth, Adult, and Dislocated Worker Funds and all workforce partners are committed to providing a demand-driven workforce system that meets the needs of the employers. Through collaborative efforts with employers (Chamber of Commerce, Belau Employers and Educators Alliance, Small Business Development Center), education (Ministry of Education and Palau Community College), and economic development and workforce development entities (National Government, State Governments, Chamber of Commerce, Belau Employers and Educators Alliance), employer needs can be identified and met. Such collaboration results in identifying skills gaps and providing necessary training to address those gaps. In addition, it results in affording the employer assistance in hiring through OJT, apprenticeship training, work experience/occupational training, and incumbent working training.

Palau as a small island nation with limited technological capabilities such as a job bank system does its recruitment of job ready individuals and those who needs additional training through the Division of Labor, the Division of Job Placement, the Bureau of Public Service System, the Palau Community College, and the WIA Office. Vacancy announcements are broadcasted through the radio stations in Palau, the local television station, bulletin boards of WIA Office, the Ministry of Finance, Surangel and Sons Company, and Western Caroline Training Company.

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 and young adult programs using both definitions of international youth age at 16-35 as well as the WIA youth definition.

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. The Church groups from religious organizations in Palau do not posses federal requirements to allow applying for Faith-Based Grants.

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 Rodriquez of Guam Department of Labor, that sets the required six performance measures for adults and dislocated workers and four performance measures for youths. Palau continues to work with Guam Department of Labor and Mr. Rodriquez 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. Future plans for further development of this database to include financial component is currently being discussed with Guam with possible technical assistance from the U.S. Department of Labor, San Francisco Regional Office.

B. Statewide Reserve Funds

The State Board will use statewide reserve funds of not more than five percent (5%) of youth, adult, and dislocated worker funds for statewide activities that will include but not limited to:

- a. Disseminating 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. Conducting 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. Providing capacity building of staff;
- d. Implementing innovative incumbent worker training programs that include displaced homemakers and non-traditional employment training;
- e. Operating 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.

Section III. Integrated Workforce Plan Assurances and Attachments

×	STATEMENT	REFERENCE	DOCUMENTATION and COMMENTS
. 🖸	The state established processes and timelines, consistent with WIA Section 111(g) – and, where appropriate, 20 CFR 641.325 (g) – to obtain input into the development of the Integrated Workforce Plan and to give opportunity for comment by representatives of local elected officials, local workforce investment boards, businesses, labor organizations, other primary stakeholders, and the general public.	WIA Sections 112(b)(9), 111(g) 20 CFR 661.207 20 CFR 661.220(d) 20 CFR 641.325(f), (g), (h), 20 CFR 641.335	Include a link or copy of a summary of the public comments received.
⊡	The state afforded opportunities to those responsible for planning or administering programs and activities covered in the Integrated Workforce Plan to review and comment on the draft plan.	WIA Sections 112(b)(9), 111(g) 20 CFR 661.207 20 CFR 661.220(d)	
	The final Integrated Workforce Plan and State Operational Plan are available and accessible to the general public.		
	The state afforded the State Monitor Advocate an opportunity to approve and comment on the Agricultural Outreach Plan. The state solicited information and suggestions from WIA 167 National Farmworker Jobs Program grantees, other appropriate MSFW groups, public agencies, agricultural employer organizations, and other interested organizations. At least 45 days before submitting its final outreach, the State provided a proposed plan to the organizations listed above and allowed at least 30 days for review and comment. The State considered any comments received in formulating its final proposed plan, informed all commenting parties in writing whether their comments have been incorporated and, if not, the reasons therefore, and included the comments and recommendations received and its responses with the submission of the plan.	WIA Sections 112(b)(9), 111(g) 20 CFR 661.207 20CFR 661.220(d) 20 CFR 653.107 (d) 20 CFR 653.108(f)	Include a link or copy of comments received.
	In the development of the plan, the state considered the recommendations submitted by the State Monitor Advocate in the annual summary of services to Migrant and Seasonal Farmworkers.	20 CFR 653.108(t)	

Palau WIA 2012-2016 Plan

6. 😝	The state established a written policy and procedure to ensure public access (including people with disabilities) to board meetings and information regarding board activities, such as board membership and minutes.	WIA Sections 111(g), 112(b)(9), 117(e) 20 CFR 661.207	Include a link or copy of the policy.
7. 🗆	Where SCSEP is included in the Integrated Workforce Plan, the state established a written policy and procedure to obtain advice and recommendations on the State Plan from representatives of the State and area agencies on aging; State and local boards under the WIA; public and private nonprofit agencies and organizations providing employment services, including each grantee operating a SCSEP project within the state, except as provided under section 506 (a)(3) of OAA and 20 CFR 641.320(b); Social service organizations providing services to older individuals; Grantees under Title III of OAA, Affected Communities, Unemployed older individuals, Community-based organizations serving older individuals; business organizations and labor organizations	20 CFR 641.315(a)(1-10), 641.325 (f), (g), (h)	Include a link or copy of a summary of the public comments received.

ASSURANCES AND ATTACHMENTS - REQUIRED POLICIES AND PROCEDURES
STATEMENT REFERENCE DOCUMENTS.

		STATEMENT	REFERENCE	DOCUMENTATION or COMMENTS
8.	뮻	The state made available to the public state-imposed requirements, such as state-wide policies or guidance, for the statewide public workforce system, including policy for the use of WIA title I statewide funds.	WIA Sections 112(b)(2), 129, 134 20 CFR 665,100	Include links or copies of the policies.
9.	8	The state established a written policy and procedure that identifies circumstances that might present a conflict of interest for any state or local workforce investment board member or the entity that s/he represents, and provides for the resolution of conflicts. The policy meets the requirements of WIA Sections 111(f) and 117(g).	WIA Sections 112(b)(13), 111(f), 117(g)	Include a link or copy of the policy
10.	_	The state has established a written policy and procedure that describes the state's appeals process available to units of local government or grant recipients that request, but are not granted, designation of an area as a local area under WIA Section 116.	WIA Sections 112(b)(15), 116(a)(5) 20 CFR 661.280 20 CFR 667.700	Include a link or copy of the policy.
п.	每	The state established written policy and procedures that describe the state's appeal process for requests not granted for automatic or temporary and subsequent designation as a local workforce investment area.	20 CFR 667.640 20 CFR 662.280	Include a link or copy of the policy.

Palau WIA 2012-2016 Plan Page 79

12.	S	The state established a written policy and procedure that set forth criteria to be used by chief elected officials for the appointment of local workforce investment board members.	WIA Sections 112(b)(6), 117(b) 20 CFR 661300(a), 20 CFR 661325	Include a link or copy of the policy.
13.	æ	The state established written policy and procedures to ensure local workforce investment boards are certified by the governor every two years	WIA Sec 117(c) 20 CFR 661 325	Include a link or copy of the policy
14.]	Where an alternative entity takes the place of an SWIB, the state has written policy and procedures to ensure the alternative entity meets the definition under section 111(e) and the legal requirements for membership.	WIA Sections 111(e), (b) 20 CFR 661 210	Include a link or copy of the volicy.
15		Where the alternative entity does not provide representative membership of the categories of required SWIB membership, the state has a written policy or procedure to ensure an ongoing role for any unrepresented membership group in the workforce investment system. (Only applicable in cases where a state uses an alternative entity as its SWIB, and that entity does not provide for representative membership by individuals in the categories required by WIA sec. 111(b).)	WIA Sections 111(b), (e) 20 CFR 661,210(c)	Include a link or copy of the policy.
16.		When applicable, the state takes any action necessary to assist local areas in developing and implementing the One-Stop system.	WIA Sections 112(b)(14), 134(c) W-P Section 8(c)	Include link or capy of the policy
17.	**	The state established procedures for determining initial and subsequent eligibility of training providers.	WIA Sections 112(b)(17)(A)(iii), 122, 134(d)(4) 20 CFR 563.515, 563.535	Include a link or copy of the policy.
18]	All partners in the workforce and education system described in this plan will ensure the physical, programmatic, and communications accessibility of facilities, programs, services, technology, and materials for individuals with disabilities in One-Stop Career Centers.	WIA Section 188 W-P Section 8(b) 29 CFR part 37 20 CFR 652.8(f)	Include a link or copy of the policy.
19.	1	The state ensures that outreach is provided to populations and sub- populations who can benefit from One-Stop Career Center services.	WIA Section 138 29 CFR 37	

Palau WIA 2012-2016 Plan Page 80

20.		The state implements universal access to programs and activities to all individuals through reasonable recruitment targeting, outreach efforts, assessments, services delivery, partnership development, and numeric goals.	WIA Section 188 29 CFR 37.42	
21.	1	The state complies with the nondiscrimination provisions of section 188,	WIA Section 198	-
		including that Methods of Administration were developed and implemented.	29 CFR 37.20	
22.		The state coffects and maintains data necessary to show compliance with	WIA Section 185	
		nondiscrimination provisions of section 188.		
23.	×	For WIA Single-Area States only, the state has memorandums of understanding between the local workforce investment board and each of the One-Stop partners concerning the operation of the One-Stop delivery system in the local area.	WIA Sections 112(b)(5), 116(b), 113(b)(2)(B), 20 CFR 661.350(a)(3)(ii)	Include a link or copy of the MOUs.

ASSURANCES AND ATTACHMENTS - ADMINISTRATION OF FUNDS

	3.5	STATEMENT	REFERENCE	DOCUMENTATION and
				COMMENTS
24	×	The state established written policy and procedures that outline the methods and factors used in distributing funds, including WIA Adult, Dislocated Worker, and Youth formula and rapid response funds. The policy establishes a process for funds distribution to local areas for youth activities	WIA Sections 111(d)(a), 112(b)(12)(A), (C), 128 (b)(3)(B),	Include a link or copy of the policy
	No.	under WIA Section 128(b)(3)(B), and for adult and training activities under WIA Section 133(b), to the level of detail required by Section 112(b)(12)(a). In addition, the policy establishes a formula, prescribed by the governor under Section 133(b)(2)(B), for the allocation of funds to local areas for dislocated worker employment and training activities.	L33(b)(2)(B), L33(b)(3)(B) 20 CFR 661.205(e)	
24a.		For Dislocated Worker funding formulas, the state is policy and procedure includes the data used and weights assigned. If the state uses other information or chooses to omit any of the information sources set forth in WIA when determining the Dislocated Worker formula, the state assures that written rationale exists to explain the decision.	WIA Section 133(b)(2)(B) 20 CFR 667.130(e)(2)(i)-(ii)	

25.	名	The state established a written policy and procedure for how the individuals and entities represented on the SWIB help to determine the methods and factors of distribution, and how the state consults with chief elected officials in local workforce investment areas throughout the state in determining the distributions.	WIA Sections 111(d)(5), 112(b)(12)(A), 128(b)(3)(B), 133(b)(3)(B), 20 CFR 661.205(e)	Include a link or copy of the policy.
26.		The state established written policy and procedures for any distribution of funds to local workforce investment areas reserved for rapid response activities, including the timing and process for determining whether a distribution will take place.	WIA Sections L33(a)(2), L34(a)(2)(A) 20 CFR 667 L30(b)(2), (e)(4), 665,340	Include a link or copy of the policy.
27.	П	The state established written policy and procedures to competitively award grants and contracts for WIA Title I activities.	WIA Section 112(b)(16)	Include a link or copy of the voltey.
28.	释	The state established written criteria to be used by local workforce investment boards in awarding grants for youth activities, including criteria that the governor and local workforce investment boards will use to identify effective and ineffective youth activities and providers of such activities.	WIA Sections 112(b)(18)(B), 123, 129	include a link or copy of the policy.
29.		The state established written criteria for a process to award a grant or contract on a competitive basis for Summer Youth Employment Opportunities element of the local youth program, where a provider is other than the grant recipient/fiscal agent.	WIA Sections 123, 129(c)(2)(C) 20 CFR 664.610	Include a link or copy of the policy.
300	П	The state distributes adult and youth funds received under WIA equitably throughout the state, and no local areas suffer significant shifts in funding from year-to-year during the period covered by this plan.	WIA Section 112(b)(12)(B)	
9)	8	The state established written fiscal controls and fund accounting procedures and ensures such procedures are followed to ensure the proper disbursement and accounting of funds paid to the state through funding allotments made for WIA Adult, Dislocated Worker, and Youth programs, and the Wagner-Peyser Act.	WIA Sections 112(b)(11), 127, 132, 184 W-P Sections 9(a), (c) 20 CFR 652.8(b), (c)	
52.		The state ensures compliance with the uniform administrative requirements in WIA through animal, onsite monitoring of each local area.	WLA Sections 184(a)(3), (4)	Include a link or copy of the policy

Palau WIA 2012-2016 Plan

			20 CFR 667.200, .400(c)(2), 667.410	
11		The state follows confidentiality requirements for wage and education records as required by the Family Educational Rights and Privacy Act of 1974 (FERPA), as amended, WIA, and applicable Departmental regulations.	WIA Sections 135(f)(2), (f)(3), 122, 185(a)(4)(B) 20 USC 1232g 20 CFR 666,150 20 CFR part 603	Include a link or copy of the policy, if available in the state. Documentation not required.
34.	8	The state will not use funds received under WIA to assist, promote, or deter- union organizing.	WIA Section 181(b)(7) 20 CFR 663 730	

ASSURANCES AND ATTACHMENTS - ELIGIBILITY

		STATEMENT	REFERENCE	DOCUMENTATION and COMMENT
35.	≱	Where the SWIB chooses to establish them, the state established definitions and eligibility documentation requirements regarding the "deficient in basic literacy skills" criterion.	WIA Sections 101(13)(C)(i) CFR 664.205(b)	Include a link or copy of the policy.
16	*	Where the SWIB chooses to establish them, the state established definitions and cligibility documentation requirements regarding "requires additional assistance to complete and educational program, or to secure and hold employment" criterion.	WIA Sections 101(13)(C)(tv) 20 CFR 664. 200(c)(6), 664.210	Include a link or copy of the policy.
17	*	The state established policies, procedures, and criteria for prioritizing adult title. I employment and training funds for use by recipients of public assistance and other low-income individuals in the local area when funds are limited.	WIA Section 134(d)(4)(F) 20 CFR 663.600	Include a link or copy of the policy

Palau WIA2012-2016 Plan

38. >=	The state established policies for the delivery of priority of service for veterans and eligible spouses by the state workforce agency or agencies, local workforce investment boards, and One-Stop Career Centers for all qualified job training programs delivered through the state's workforce system. The state policies. 1. Ensure that covered persons are identified at the point of entry and given an opportunity to take full advantage of priority of service; and 2. Ensure that covered persons are aware of: a Their entitlement to priority of service; b. The full array of employment, training, and placement services available under priority of service; and c. Any applicable eligibility requirements for those programs and/or services 3. Require local workforce investment boards to develop and include policies in their local plan to implement priority of service for the local One-Stop Career Centers and for service delivery by local workforce preparation and training providers	WIA Sections 112(b)(17)(B), 322 38 USC Chapter 41 20 CFR 1001.120- 125 Jobs for Veterans Act, P.L. 107-288 38 USC 4215 20 CFR 1010.230, 1010.300 .310	Include a link or copy of the policy:
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Palau WIA 2012-2016 Plan Page 84

The State, Commonwealth, or Territory of <u>Palau</u> certifies on the <u>13</u> day of <u>September</u>, <u>2012</u> that it complied with all of required components of the Workforce Investment Act. The State, Commonwealth, or Territory also assures that funds will be spent in accordance with the Workforce Investment Act and all regulations, written Department of Labor guidance implementing these laws, and all other applicable Federal and state laws and regulations.

President Johnson Toribiong
Republic of Palau

Date

ATTACHMENT A PROGRAM ADMINISTRATION DESIGNEES AND PLAN SIGNATURES

Name of WIA Title I Grant Recipient Agency: <u>JOHNSON TORIBIONG</u> , <u>PRESIDENT</u> , <u>REPUBLIC OF PALAU</u>
Address: P. O. BOX 100 NGERULMUD, REPUBLIC OF PALAU 96939
Telephone Number: (680) 767-2403/2828/2542
Facsimile Number: (680) 767-2424
E-mail Address: rop.president@palaugov.net
Name of State WIA Title I Administrative Agency (if different from the Grant Recipient):
Palau Workforce Investment Act Title I Office (Palau WIA Office)
Address: P. O. Box 100 PCC Keskas Building Koror, Republic of Palau 96940
Telephone Number: (680) 488-2513
Facsimile Number: (680) 488-5699
E-mail Address: wia@palaunet.com
Name of WIA Title I Signatory Official: MR. MATTHEW RUDIMCH, CHAIRMAN,
STATE WORKFORCE INVESTMENT BOARD
Address: P. O. Box 100 PCC Keskas Building Koror, Republic of Palau 96940
Telephone Number: (680) 488-2513
Facsimile Number: (680) 488-5699
E-mail Address: urudimch@hotmail.com
Name of WIA Title I Liaison: MS. JOSEPHINE ULENGCHONG, EXECUTIVE DIRECTOR
PALAU WORKFORCE INVESTMENT ACT TITLE I OFFICE (PALAU WIA OFFICE)
Address: P. O. Box 100 PCC Keskas Building Koror, Republic of Palau 96940
Telephone Number: (680) 488-2513
Facsimile Number: (680) 488-5699
E-mail Address:jsep@wiapalau.gov

As the President of Palau and Chief Elected Official, I certify that for the State/Commonwealth/Territory of <u>PALAU</u>, the agencies and officials designated above have been duly designated to represent the State/Commonwealth/Territory in the capacities indicated for the Workforce Investment Act, title I grant programs. 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 program in accordance with this plan and the assurances herein.

Typed Name of Governor/President JOHNSON TORIBIONG

Signature of Governor/President Johnson Unubor Date Sept 13, 2012

ANNOUNCEMENT

THE DRAFT MODIFICATION TO REPUBLIC OF PALAU FIVE-YEAR STRATEGIC PLAN FOR WORKFORCE INVESTMENT ACT TITLE I PROGRAM FROM JULY 01, 2012 THROUGH JUNE 30, 2016, HAS BEEN COMPLETED 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 SEPTEMBER 06, 2012, BEFORE CLOSE OF BUSINESS AT 4:30 P.M.

SUBED

TIA SUBED LOLTOBED ER NGII A OBIS RA WIA EL KMO NG MLA KUTKMEKLII A FIVE-YEAR PLAN RA PROGRAM RA WORKFORCE INVESTMENT ACT EL KIREL A KOT EL KEBESNGIL A ONGEUID EL BUIL ER CHELECHAL RAK (JULY 01, 2012) EL MOLMUUT RA OKEDEI EL KEBESENGIL A ONGELOLEM EL BUIL RA RAK RA ERUL TELAEL MA TRUICH ME ELOLEM (JUNE 30, 2016) EL KIREL ORRETEL, OMESUBEL, MA OMELSEMEL A UREOR. A OTSUSHI (COPY) ER TIAL BABIER A MLA MO SEBECHEL 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 ULDASUE EL KIREL TIAL BABIER EL MODUROKL MALECHUB ENG MENGAI EL MER TIAL **OBIS RA WIA** EL DIAK EL **BOL MEOUD RA SEPTEMBER 06, 2012**, 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